



Batliboi Ltd

67th Annual Report
2010 - 11

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Some of our Products

Machine Tools



CNC Moving Column Drilling Machine – BMCD 825



Stall at IMTEX 2011, Bangalore

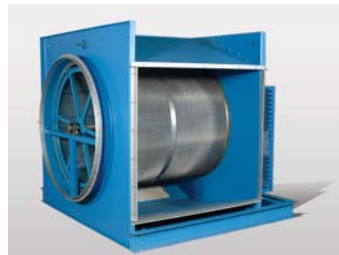


CNC Mill Turn Centre – BMTC 45

Textile Air Engineering



“Pre-Fab” Humidification System



Fibre Condensator



Axial Flow Fan

Textile Machinery



Stall at Knit Tech 2011, Tirupur



Yarn Dyeing Machines (Loris Bellini)



Blowroom Contamination Sorter (Loptex)

Air Conditioning



Open Type Compressor



Ductable Split Air Conditioner

Corporate Information

Mr. Pratap Bhogilal

Chairman Emeritus

BOARD OF DIRECTORS

Mr. Nirmal Bhogilal

Chairman & Managing Director

Mr. Vijay R. Kirloskar

Mr. Subodh Bhargava

Mr. E. A. Kshirsagar

Mr. Ameet Hariani

Mr. Ulrich Duden

Mr. George Verghese

CORPORATE MANAGEMENT

Mr. Nirmal Bhogilal

Chairman & Managing Director

Mr. Daniel Vaz

C. O. O. Textile Air Engineering Group

Mr. Edwyn Rodrigues

C. E. O. Textile Machinery Group

Mr. Pradeep Pradhan

C. E. O. Air Conditioning & Refrigeration Group

Mr. Sanjiv Joshi

C. E. O. Environmental Engineering Group

Mr. Vineet Goel

Chief Financial Officer

Mr. Gaurang Shah

Chief Corporate Counsel & Company Secretary

Mr. Ashok Joshi

Chief Human Resource Officer

REGISTERED & CORPORATE OFFICE

Bharat House, 5th Floor,
104, Bombay Samachar Marg,
Fort, Mumbai - 400 001. INDIA.

FACTORY

- (i) P. O. Fateh Nagar, Surat Navsari Road,
Udhna - 394 220.
- (ii) Veerasandra Industrial Area Hosur Road,
Bangalore-560100.

AUDITORS

M/s. V. Sankar Aiyar & Co.
Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENTS

Datamatics Financial Services Ltd.
Plot No. A/16 & 17, MIDC, Part-B, Cross Lane,
Marol, Andheri (E), Mumbai - 400 093.

BANKERS

Bank of Baroda
Punjab National Bank
Canara Bank
Royal Bank of Scotland
INDUSIND Bank Ltd.
Barclays Bank PLC
The Shamrao Vithal Co-op. Bank Ltd.

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NOTICE

NOTICE is hereby given that the Sixty Seventh Annual General Meeting of the members of BATLIBOI Limited, will be held on Friday, the 29th day of July, 2011 at 2.30 p.m. at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12 K. Dubash Marg, Fort, Mumbai 400 001 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2011, the Balance Sheet as at that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Subodh Bhargava, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. E.A Kshirsagar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without any modification, the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** M/s V. Sankar Aiyar & Co., Chartered Accountants, (Registration No. 109208W) retiring Auditors be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, on a remuneration as may be mutually agreed between the said Auditors and the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to appoint Auditors for Branches and Factories in consultation with the Company's Auditors on such terms and conditions including the remuneration as the Board of Directors may deem fit.”

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without any modification, the following resolution as a **SPECIAL RESOLUTION**:
“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactments thereof for the time being in force), and subject to approval of the Central Government, as may be required, the Company hereby approves the re-appointment of Mr. Nirmal Bhogilal as the Chairman and Managing Director of the Company for a period of 5 (five) years, with effect from 1st April, 2011, on the terms and conditions including remuneration as set out in the draft Agreement as placed before this meeting and initialed by the Chairman for identification and as detailed in the explanatory statement attached hereto.

RESOLVED FURTHER THAT the Board (which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to vary the remuneration and other terms of appointment from time to time subject to necessary approvals if any, as the Board may consider appropriate and as agreed between the Board and Mr. Nirmal Bhogilal.

RESOLVED FURTHER THAT where in any financial year comprised in the term of appointment, the Company has no profits or its profits are inadequate, the Company do pay to Mr. Nirmal Bhogilal, the remuneration as set out in explanatory statement and any revisions thereof, as the minimum remuneration, subject to approval of the Central Government and such other approval as may be required in that regard.”

6. To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** in partial modification of earlier Special Resolution passed at the Annual General Meeting held on 28th July, 2007 and pursuant to Section 314(B) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approval of the concerned authorities(s) as may be required, consent of the Company be and is hereby accorded for variation of the terms of appointment of Mr. Kabir Bhogilal, a relative (son) of Mr. Nirmal Bhogilal, Chairman & Managing Director for payment of increased remuneration as under and for continuing to hold an office or place of profit in the Company designated as Vice President-Corporate Affairs, w.e.f. 1st April, 2011 :

Salary: ₹ 55,000/- p.m. (In the scale of ₹ 50,000 p.m. to ₹ 2,00,000 p.m.)

Perquisites: ₹ 1,25,000/- p.m. (In the scale of ₹ 1,00,000 p.m. to ₹ 3,00,000 p.m.)

The perquisites and allowances payable to him shall be the same as given to other employees in the Company in the similar grade(s) as per the rules of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized and empowered as and when it may determine and deem fit and proper, to revise the terms of remuneration and to promote him to the next higher grade (s) with all usual allowances, facilities and benefits as applicable to such grade(s), subject to such approvals as may be required in that regard.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do and perform all such acts, deeds and things as may be necessary or expedient to give effect to this Resolution.”

7. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to provisions of Sec 293 (1) (e) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to contribute and subscribe on behalf of the Company to charitable and other funds not directly relating to the business of the Company or the welfare of its employees upto an aggregate sum of ₹ 10,00,000 (Rupees Ten Lacs only) or 5% of the the Company's average net profit as determined in accordance with the provisions of the Companies Act, 1956, whichever is higher, in any financial year, notwithstanding that such amounts in any financial year may exceed ₹ 50000/- or 5% of the Company's average net profits as determined in accordance with provisions of sections 349 and 350 of the Companies Act, 1956, of the three financial years immediately preceding, whichever is greater.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do and perform all such acts, deeds and things as may be necessary or expedient to give effect to this Resolution.”

By Order of the Board of Directors,
Sd/-
GAURANG SHAH
Chief Corporate Counsel & Company Secretary

Mumbai,
18th May, 2011

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
- Proxies in order to be effective must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the special business set out at item no. 5 to 7 of the Notice is annexed hereto.
- The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, **22nd day of July, 2011** to Friday, **29th day of July, 2011** (both days inclusive).
- The relevant details as required under clause 49 of the Listing Agreement, of the Directors seeking re-appointment are given in the Corporate Governance Report.
- Any change of particulars including address, bank mandate and nomination for shares held in demat form should be notified only to the respective Depository Participants where the member has opened his/her demat account. However, any change in particulars in respect of shares held in physical form should be sent to the Company's Share Transfer Agents Datamatics Financial Services Ltd – Plot No. A/16 & 17, MIDC, Part-B, Cross lane, Marol, Andheri (E), Mumbai – 400 093.
- Members are requested to notify their e-mail addresses to the Company's Share Transfer Agents, in order to enable the Company to send the documents electronically as permitted by the Government.
- Members are hereby informed that Dividend which remains unclaimed / un-encashed over a period of 7 years has to be transferred as per the provisions of the Companies Act, 1956 by the Company to "The Investor Education & Protection Fund" constituted by the Central Government under Section 205 C of the Companies Act, 1956.

Hereunder are the details of dividends paid by the Company and their respective due dates of transfer of unclaimed /un-encashed dividends to the designated fund of the Central Government:

Date of Declaration of Dividend	Dividend for the year	Due Month of transfer to the Fund
19 th July, 2006	2005-2006	August 2013
28 th July, 2007	2006-2007	August 2014
30 th Sept, 2008	2007-2008	October 2015

It may please be noted that once the unclaimed / un-encashed dividend is transferred to "The Investor Education & Protection Fund" as above, no claim shall lie in respect of such amount by the shareholder.

- In pursuance of Government of India's Green Initiative to save paper, the Company has sent the notice and the Annual Report in soft form to those members whose e-mail addresses are registered and have opted to receive the same in soft form. For others, it has been sent in physical form. Members are requested to the register their e-mail addresses with their Depository Participants in order to support the the initiative of saving on consumption of paper and cost of printing and dispatch.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No 5

The term of office of Mr. Nirmal Bhogilal as Chairman and Managing Director of the Company expired on 31st March, 2011. Subject to approval of members and such other approvals as may be necessary, the Board re-appointed him for a further period of five years w.e.f. 1st April 2011.

On the recommendation of the Remuneration Committee, the Board at its Meeting held on 18th May, 2011, has fixed remuneration of Mr. Nirmal Bhogilal as under, subject to the approval of the members and such other approvals including that of Central Government as may be required.

Salary: ₹ 3,50,000/- p.m. (in the scale of ₹ 3,50,000/- p.m. to ₹ 7,00,000/- pm.)

Perquisites: ₹ 4,09,000 p.m. (in the scale of ₹ 3,50,000/- pm to ₹ 7,00,000/- pm.)

The perquisites and allowance payable to him shall include accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof, House Maintenance Allowance together with reimbursement of expenses and/or allowance and/or allowances for utilization of gas, electricity, water, utility allowance, furnishing and repairs, medical reimbursement, leave travel concession for self and family including dependents, club fees, medical insurance and such other perquisites and/or allowance, upto the amounts specified above, subject to an overall ceiling of remuneration stipulated in Section 198 and 309 of the Companies Act, 1956. The said perquisites and allowance shall be evaluated, whenever applicable, as per the Income Tax Act, 1961 or any rules thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force). However, the Company's contribution to Provided Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act, and gratuity payable and encashment of leave as per the rules of the Company, shall not be included in the computation of limits for the remuneration which includes salary and perquisites.

Other benefits:

He shall also be entitled to use of Company's car, telephone(s)/fax at residence and cell phones for official purposes as per the rules of the Company.

Under Leadership of Mr. Nirmal Bhogilal the Company has turned around its operations and has posted profits for the financial year 2010-11 and expects further improvement in the performance. However, the profits for the current year i.e 2011-2012 may not be adequate in terms of Schedule XIII of the Companies Act, 1956. In view of this, the aforementioned remuneration to Mr. Nirmal Bhogilal may be in excess of the ceilings prescribed in the Part II, Section II (1)(C) of the Companies Act, 1956 and the same would require approval of the shareholders and the Central Government.

Members' approval is sought for the appointment and payment of aforementioned remuneration and any revisions thereof as the minimum remuneration to the Managing Director in case of the Company has no profits or inadequacy of profits in any Financial year during the tenure of Mr. Nirmal Bhogilal. The statement required to be sent to the shareholders pursuant to Part II, Section II (1) (C) of Schedule XIII is given hereunder. The Company is making necessary application to the Central Government in this regard.



The terms and conditions of Mr. Nirmal Bhogilal's appointment as set out above may also be treated as an extract of the terms of draft agreement between Mr. Nirmal Bhogilal and the Company under Section 302 of the Companies Act, 1956.

The draft Agreements for the re-appointment of Mr. Nirmal Bhogilal, as the Chairman and Managing Director of the Company is available for inspection by the members of the Company at the registered office of

the Company between 11.a.m. to 1.00 p.m. on all working days excluding Sundays and Public Holidays.

Mr. Nirmal Bhogilal may be regarded as concerned or interested in the Resolution as it pertains to his appointment and payment of remuneration.

No Other Director is concerned or interested in the said Resolution.

Your Directors recommend the above resolution for your approval.

Statement pursuant to Part II, Section II (1) (C) of Schedule XIII

I. General Information:

(1)	Nature of Industry	:	1. Manufacturing of Machine Tools, Textile Machinery, Air Conditioning & Humidification Plants & Equipments;															
			2. Marketing of various kinds of Machine tools, Industrial Machinery & Equipment;															
			3. Manufacturing and Contracting in the field of Air Conditioning.															
(2)	Date or expected date of commencement of commercial production	:	N. A. As the Company was initially incorporated as Private Company on 6 th December, 1941 and the commercial production is being carried on for more than 55 years.															
(3)	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	:	N. A.															
(4)	Financial performance based on given indicators	:	The financial performance is as detailed below :- <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;">2010-11 (₹ In Lacs)</th> <th style="text-align: right;">2009-10 (₹ In Lacs)</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td style="text-align: right;">13,396.03</td> <td style="text-align: right;">9819.15</td> </tr> <tr> <td>Profit/Loss</td> <td style="text-align: right;">530.82</td> <td style="text-align: right;">(411.98)</td> </tr> <tr> <td>Net Worth</td> <td style="text-align: right;">5,693.06</td> <td style="text-align: right;">4572.81</td> </tr> <tr> <td>Dividend</td> <td style="text-align: right;">NIL</td> <td style="text-align: right;">NIL</td> </tr> </tbody> </table>		2010-11 (₹ In Lacs)	2009-10 (₹ In Lacs)	Turnover	13,396.03	9819.15	Profit/Loss	530.82	(411.98)	Net Worth	5,693.06	4572.81	Dividend	NIL	NIL
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(5)	Export performance and net foreign exchange collaborations.	:	<table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;">2010-11 (₹ In Lacs)</th> <th style="text-align: right;">2009-10 (₹ In Lacs)</th> </tr> </thead> <tbody> <tr> <td>Sales for Export Purposes(Indirect Exports)</td> <td style="text-align: right;">NIL</td> <td style="text-align: right;">NIL</td> </tr> <tr> <td>Foreign Exchange Collaborations</td> <td style="text-align: right;">NIL</td> <td style="text-align: right;">NIL</td> </tr> </tbody> </table>		2010-11 (₹ In Lacs)	2009-10 (₹ In Lacs)	Sales for Export Purposes(Indirect Exports)	NIL	NIL	Foreign Exchange Collaborations	NIL	NIL						
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(6)	Foreign investments or collaborators, if any	:	<table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;">2010-11 (₹ In Lacs)</th> <th style="text-align: right;">2009-10 (₹ In Lacs)</th> </tr> </thead> <tbody> <tr> <td>Investment made in Foreign Subsidiaries</td> <td style="text-align: right;">2781.47</td> <td style="text-align: right;">2616.04</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>2781.47</u></td> <td style="text-align: right;"><u>2616.04</u></td> </tr> </tbody> </table>		2010-11 (₹ In Lacs)	2009-10 (₹ In Lacs)	Investment made in Foreign Subsidiaries	2781.47	2616.04		<u>2781.47</u>	<u>2616.04</u>						
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Investment made in Foreign Subsidiaries	2781.47	2616.04																
	<u>2781.47</u>	<u>2616.04</u>																

Batliboi Ltd.

II. Information about the appointee:

(1)	Background details (a) Name (b) Age	:	Mr. Nirmal Bhogilal 61 Years								
(2)	Past remuneration	:	<table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">₹ (p.m.)</td> </tr> <tr> <td>Salary</td> <td style="text-align: right;">3,30,000/-</td> </tr> <tr> <td>Perquisites</td> <td style="text-align: right;">3,11,666 /-</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">6,41,666/-</td> </tr> </table>		₹ (p.m.)	Salary	3,30,000/-	Perquisites	3,11,666 /-		6,41,666/-
	₹ (p.m.)										
Salary	3,30,000/-										
Perquisites	3,11,666 /-										
	6,41,666/-										
(3)	Recognition or awards	:	B. Sc. (Engg), Chemical Engg (London University), A.C.G.I. Committee Member – CII National Council								
(4)	Job profile and his suitability	:	Overall in-charge of day to day management of the Company. He is having practical experience of 38 years in managing Machine Building & Engineering Industry. <ul style="list-style-type: none"> Committee member : CII National Council President & Committee Member : Indo German Chamber of Commerce Member : Development Council for Machine Tools Industry, Ministry of Heavy Industries & Public Enterprise. 								
(5)	Remuneration proposed	:	<table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">₹ (p.m.)</td> </tr> <tr> <td>Salary</td> <td style="text-align: right;">3,50,000/- (in the scale of ₹ 3,50,000/- p.m. to ₹ 7,00,000/- pm.)</td> </tr> <tr> <td>Perquisites</td> <td style="text-align: right;">4,09,000/- (in the scale of ₹ 3,50,000/- p.m. to ₹ 7,00,000/- pm.)</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">7,59,000/-</td> </tr> </table>		₹ (p.m.)	Salary	3,50,000/- (in the scale of ₹ 3,50,000/- p.m. to ₹ 7,00,000/- pm.)	Perquisites	4,09,000/- (in the scale of ₹ 3,50,000/- p.m. to ₹ 7,00,000/- pm.)		7,59,000/-
	₹ (p.m.)										
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Perquisites	4,09,000/- (in the scale of ₹ 3,50,000/- p.m. to ₹ 7,00,000/- pm.)										
	7,59,000/-										
(6)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in would be w.r.t the country of his origin).	:	In similar and comparable Engineering Companies the salary paid to Chairman & Managing Director is approximately in the range of 12% to 16% of company's total wage bill. The remuneration proposed to be paid to Mr. Nirmal Bhogilal is in line with the industry average. The nature of Company's business is also very complex. The foreign subsidiaries in Canada and France have increased responsibilities of managing these businesses. All these factors justify the payment of said remuneration.								
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	:	Mr. Nirmal Bhogilal, Chairman & Managing Director is a promoter of the Company and may be regarded as concerned or interested in his own appointment.								

III. Other information:

(1)	Reason of loss or inadequate profits	:	The Company had incurred losses during the financial years 2008-09 and 2009-10. With concerted efforts and various measures undertaken, the Company has turned around its operations by posting profits of ₹ 530 lacs as against loss of ₹ 411 lacs during the previous year. Capacity constraints for machine tools and inconsistent demand from the textile industry were some of the reasons for inadequacy of profits.
(2)	Steps taken or proposed to be taken for improvement	:	The Company has a healthy order book and with the sustained growth in industrial production, encouraging prospects for textile industry and growing demand for machine tools, the Company expects further improvement in the performance.
(3)	Expected increase in productivity and profits in measurable terms.	:	With the various initiatives such as capacity expansion to reduce lead time, introduction of new products and new R & D initiatives to increase market share, the Company expects sizable increase in the productivity and profits.



Item No 6

At the meeting held on 28th July, 2007, the members had approved appointment of Mr Kabir Bhogilal, relative (son) of Mr. Nirmal Bhogilal, Chairman & Managing Director of the Company, for holding office or place of profit in the Company as Divisional Manager- Business Development, w.e.f. 1st August, 2007 with following remuneration as approved by the Central Government .

Salary: ₹ 32,000/- p.m. (in the scale of ₹ 30,000/- p.m. to ₹ 1,00,000/- p.m.)

Perquisites: ₹ 34,949/- p.m. (in the scale of ₹ 30,000/- p.m. to ₹ 1,00,000/- p.m.)

The Board had from time to time revised his remuneration within the aforementioned pay scale and promoted him, in pursuance of the authority given by the members and the approval received.

Based on recommendation of the the Remuneration Committee, the Board at its meeting held on 18th May, 2011, has revised the remuneration of Mr. Kabir Bhogilal and grade, as under, w.e.f 1st April, 2011, subject to approval of members and such other approvals of concerned authorities(s), as may be required.

Grade: Vice President-Corporate Affairs

Salary: 55,000/- p.m. (in the scale of ₹ 50,000/- p.m. to ₹ 2,00,000/- p.m.)

Perquisites: 1,25,000/- p.m. (in the scale of ₹ 1,00,000/- p.m. to ₹ 3,00,000/- p.m.)

Since the above remuneration exceeds the pay scale earlier approved by the members and the Central Government, fresh approval of the members is sought in accordance with section 314 (1B) of the Companies Act, 1956. The above revision is subject to approval of concerned authorities(s) as may be required.

The revised remuneration, perquisites, allowances, facilities proposed are applicable in his grade as per the Rules of the Company and are

fixed on the same basis as applicable to other executives of the Company in the same grade. The same are also in line with the remuneration packages prevailing in the industry.

Mr. Nirmal Bhogilal, being his relative is interested in the resolution.

No other Director is concerned or interested in the said Resolution. Your Directors recommend the above resolution for your approval.

Item No 7

Considering the Company's responsibility towards social, philanthropic and other causes, the Company has been making donations to various charitable Institutions and Trusts from time to time.

As per section 293(1)(e) of the Companies Act, 1956, the Company can contribute to Charitable and other institutions in excess of ₹ 50,000/- or 5% of the average net profits of the preceding three financial years, whichever is higher, in any financial year, only if authorized by the company in general meeting.

The Company intends to give donation upto an aggregate amount of ₹ 10,00,000/- (Rupees Ten Lacs only) or 5% of the average net profits of the preceding three financial years, whichever is higher, during any financial year which may exceed the limits prescribed under Section 293 (1) (e) of the Act. Members' approval is therefore sought for enabling the Company to donate the amounts upto the aforementioned limits in any financial year.

Your directors recommend the resolution as set out in the notice for approval of the members.

None of the Directors of the Company are deemed to be concerned or interested in the resolution.

By Order of the Board of Directors,

Sd/-

GAURANG SHAH

Chief Corporate Counsel & Company Secretary

Mumbai,
18th May, 2011

DIRECTORS' REPORT

Dear Members,

Your Directors submit their 67th Annual Report together with the Audited Accounts for the year ended 31st March, 2011.

1. FINANCIAL RESULTS

(₹ in lakhs)

	For the Year ended		For the Year ended	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	Stand alone	Stand alone	Consolidated	Consolidated
Gross Turnover (Including Indirect Sales)	26363.02	21275.14	36701.14	31093.82
Net Sales	12436.26	9254.82	22774.38	19073.50
Other Income	405.32	387.61	695.01	672.33
TOTAL INCOME	12841.58	9642.44	23469.39	19745.82
Profit before Interest, Depreciation & Tax	901.59	437.95	1132.68	558.30
Less: Interest	540.42	527.19	649.13	598.84
Depreciation	155.90	183.41	611.11	650.93
Profit before tax and exceptional items	205.27	(272.65)	(127.57)	(691.46)
Exceptional item - Income/ (expense)	336.29	(135.94)	336.29	(135.94)
Profit before tax	541.56	(408.59)	208.72	(827.40)
Provision for Taxation: Current Tax	115.80	-	40.15	(32.06)
Deferred Tax	(21.03)	-	(21.03)	-
Mat Credit Available for set off	(57.80)	-	(57.80)	-
Tax Adjustments in respect of earlier years	(26.22)	3.39	(26.22)	3.39
PROFIT AFTER TAX (PAT)	530.82	(411.98)	273.63	(798.72)
Less: Minority Interest	-	-	-	(14.41)
PROFIT AFTER MINORITY INTEREST	530.82	(411.98)	273.63	(784.32)
Add/(Less): Balance as per last Balance Sheet	980.26	1392.24	1981.16	2765.47
Available Surplus/ (Deficit)	1511.07	980.26	2254.79	1981.16
Appropriations:				
Transfer to Capital Redemption Reserve	95.60	-	95.60	-
Balance carried to Balance Sheet	1415.47	980.26	2159.19	1981.16

2. DIVIDEND

With a view to conserve the resources, your Directors do not recommend any dividend for the Year ended 31st March, 2011.

3. PERFORMANCE & OUTLOOK:

Buoyant economy and sustained growth in GDP led to increased industrial production and consequential higher demand for capital goods during the year under review. The Company posted improved results during the year under review by turning around the operations, on the back of growing demand for capital goods and improved textile industry scenario. Various measures taken by the Company such as cost reduction, enhancing market share by developing and launching new products, also contributed to the performance.

On standalone basis, the gross turnover including indirect sales grew by more than 23% over the previous year. The operations resulted in Profit before Tax of ₹ 205 lacs, against a loss of ₹ 273 lacs during the previous year. On a post tax basis including exceptional items, the profit was ₹ 530 lacs as compared to a post tax loss of ₹ 411 lacs in the previous year.

The performance of foreign subsidiaries showed mixed results as capital spending in North America continued to be subdued whereas the European economy showed improvement. The consolidated turnover was up by more than 18% resulting in post tax Profit of ₹ 273 lacs as against loss of ₹ 798 lacs during the previous year.

The Company has a healthy order book and with the continued growth in industrial production, renewed investments in power & infrastructure sector and encouraging prospects for textile industry, the Company expects further improvement in its performance. The Company is taking several actions such as capacity expansion to reduce lead time, introduction of new products, R & D initiatives etc., to further strengthen the business operations.

4. SUBSIDIARIES:

(i) Quickmill Inc.

Quickmill Inc. headquartered in Canada is engaged in the business of manufacturing large gantry drilling and milling machines for supply to the energy and heavy equipment manufacturing sectors. The year under review has been disappointing as the performance was affected by the continued economic down turn and recession in key markets like North America and Middle East. Strengthening of the Canadian dollar and increase in steel prices added to the woes.

The Company has chalked out definitive plan for turning around the operations and has restructured the business to reduce costs and widen the market base. It has also taken steps to increase its presence in India. With these initiatives, Quickmill expects improved performance and return to profitability.

(ii) AESA Air Engineering

AESA is engaged in the business of Air-conditioning and filtration in textile, tobacco, chemical, non-woven and glass and fibre-glass industry.



AESA made recovery during the year under review on the back of booming textile market in India and Indonesia and various measures taken for restructuring the operations. It posted higher turnover with marginal profit.

It has good order backlog for the current year and is taking various steps such as Product re-engineering and innovations, increasing market share worldwide with thrust on China and Indian market. With the continued improvement expected in the textile industry worldwide, AESA is expected to do better.

5. ISSUE OF PREFERENCE SHARES

The Company had issued 6,92,480 - 5% Redeemable Non cumulative Preference shares of ₹ 100/- each, aggregating to ₹ 693 lacs, to the promoters on preferential basis after obtaining requisite approval from the members of the Company pursuant to Section 81 (1-A) of the Companies Act, 1956. Out of this, 4,78,000 Preference shares amounting to ₹ 478 lacs were allotted during the year.

6. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Statement pursuant to section 212 of the Companies Act, 1956, containing details of the Company's Subsidiaries is given elsewhere in the Annual Report.

The Consolidated Financial Statements of your Company and its subsidiaries prepared in accordance with "Accounting Standard – 21" prescribed by The Institute of Chartered Accountants of India, form part of the Annual Report and the Accounts.

In terms of approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, copy of the Balance Sheet, Profit and Lost Account, Reports of the Board of Directors and Auditors of the subsidiaries have not been attached with the Balance Sheet of the Company. The annual accounts of these subsidiaries and the related detailed information will be made available to any Member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any Member of the Company/its subsidiaries at the Corporate Office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the head offices of the respective subsidiary companies.

7. FIXED DEPOSITS

The Company has not accepted any deposits from the public or employees during the year under review.

8. DIRECTORS

Mr. Subodh Bhargava and Mr. E.A Kshirsagar retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

Mr. Nirmal Bhogilal's term as the Chairman and Managing Director of the Company expired on 31st March, 2011. The Board has

re-appointed him as the Chairman and Managing Director of the Company for five years effective from 1st April, 2011, subject to approval of members of the Company. Resolution seeking members' approval for his re-appointment has been included in the Notice to the members forming part of this Annual Report.

None of the Directors of the Company are disqualified under section 274 (1) (g) of the Companies Act, 1956.

9. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement is given elsewhere in this Annual Report.

10. CORPORATE GOVERNANCE

A report on the Corporate Governance pursuant to clause 49 of the Listing Agreement along with a certificate from the Auditors of the Company regarding the compliance of conditions of Corporate Governance forms part of the Annual report.

11. AUDITORS

M/s. V. Sankar Aiyar & Co. Chartered Accountants hold office upto the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits u/s. 224(1) (B) of the Companies Act, 1956.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act 1956, the Directors, (based on the representations received from the Operating Management), confirm that :-

- (a) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed and that there are no material departures;
- (b) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;
- (c) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the Annual Accounts on a Going Concern basis.

13. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

During the year ended 31st March 2011, Foreign Exchange Earnings were ₹ 584.32 lacs (Previous Year ₹ 588.60 lacs) and the Foreign Exchange Outgo was ₹ 733.04 lacs (Previous Year ₹ 578.98 lacs). For further details, Note Nos. 13,14 & 15 to the Accounts may be referred to.

14. CONSERVATION OF ENERGY

The Company's strategic initiative of setting up of 1.25MW windmill at Lambha, Gujarat has resulted in reduction in energy cost and helped the Company gain self-sufficiency in its power requirement at Udhna.

15. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION

The Company is giving thrust to continued improvement in the products, technology and operational efficiencies. Details of Research & Development efforts and activities undertaken during the year and technology absorption, in accordance with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is annexed hereto and forms part of this Report.

16. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217 (2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees forms part of this report as annexure. However, as permitted by section 219 (1) (b) (iv) of the Companies Act, 1956 this Annual Report is being sent to all shareholders excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered office of the Company.

17. ACKNOWLEDGEMENTS

Your Directors avail of this opportunity to express and place on record their appreciation for the assistance and co-operation extended by the shareholders, employees, customers, principals, agents, bankers, financial institutions, suppliers, distributors and other stakeholders to your Company.

For and on behalf of the Board of Directors

Sd/-
NIRMAL BHOGILAL
CHAIRMAN & MANAGING DIRECTOR

Mumbai,
18th May, 2011

ANNEXURE TO DIRECTORS' REPORT

FORM - B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

A. RESEARCH AND DEVELOPMENT (R & D)

I. Specific areas in which R & D carried out by the Company.

Machine Tools - Udhna

The new machines designed and developed are:

- ▶ CNC TURN Mill Centre Sprint 20TMC.
- ▶ CNC Mill Turn Centre BMTC -45.
- ▶ CNC Turning Centre Sprint 25 TC with 1 Meter Admit Between Centre.
- ▶ Radial Drilling Machine - 80 mm Drill (Two Version).
- ▶ Radial Drilling Machine- 100 mm Drill (Two Version).
- ▶ Vertical Machining Centre Chetak 75 Die-Mold Machining.

Machine Tools - SPM

The new machines designed and developed are:

- ▶ CNC Double column Drilling centre with table size 3x3mts,2,5x2.5mtrs Having rapid feed rates 15mtr/min for X, Y axes & Z axis 8mtr/min -Model- QDB-3000x3000,QDB-2500x2500.
- ▶ CNC Double column machining Centre with table size 3x2mtrs with 20 tools Auto tool Changer and milling capability 10 mm - Model—QMB-3x2.
- ▶ CNC vertical turret lathe with High Low clamping Chuck , & with ZF Two Speed Gear box for Heavy metal removal rate – VTL-63.
- ▶ CNC Coordinate drilling machine with double column having table size 2x 1.8 mtrs — Model BR624-CNC.

.Textile Air Engineering

New products designed and developed are:-

- ▶ Bigger capacity Compactors, Rotary Screen Filters.
- ▶ Fog Type System.
- ▶ Pre-fabricated Air Washer (1 model).
- ▶ Centrifugal Fan manufacture for associate company.

Air-Conditioning & Refrigeration

The new products designed and developed are:

- ▶ Chiller packages with scroll compressor.
- ▶ Double circuit chiller package with open compressor.

Quickmill Inc.

The majority of Quickmill's R&D efforts were directed towards three large projects:

- ▶ Grader Blade Processing System – This project involved designing, building, and testing a complete system for processing grader blades on a Quickmill machine. It involved custom fixturing, a custom rotating system, complex hydraulic clamping, and a complete new control implementation.
- ▶ Quickdrill HD – This project is a continuation of a major project undertaken last year. It involves redesigning our popular Quickdrill machine from the ground up for performance increases, utilization of modern design techniques, and cost containment.

- ▶ Triple Spindle Head – This major project involved designing a revolutionary spindle head for drilling up to three holes at a time in tubesheets and baffle plates for heat exchangers. The spindles are spaced automatically by the CNC to adjust to any pitch size, dramatically reducing setup time from conventional multi-spindle heads.

AESA SA

- ▶ Product development for damper.
- ▶ Product development for fibre compactor

II. Benefits Derived

- ▶ Ease of installation of equipment
- ▶ Improved life of equipment
- ▶ Improvement in quality
- ▶ Reduction in out-sourcing and increase in the -house manufacture
- ▶ Increased sales
- ▶ New dimension in the market penetration
- ▶ Option for energy efficient solution

III. Development Plans

Machine Tools

- ▶ Vertical Machining Centre Chetak 125 MC
- ▶ CNC Turning Centre Sprint 40 TC
- ▶ CNC Travelling column radial drill machine – 100 mm Drilling capacity
- ▶ BVR3 Drill Head Redesign For Simplification in Manufacturing Universal Radial Drilling Machine BPR 100

Machine Tools -SPM

- ▶ CNC –Gantry Machining Centre- Model- HD/HD2
- ▶ CNC –Double column Drilling Centre with Roller Linear Motion Guide ways for all three X,Y & Z axes

Air-Conditioning & Refrigeration

- ▶ Packages incorporating Screw Chillers

Textile Air Engineering

- ▶ Balance models of Pre-fabricated Air Washer
- ▶ In house Centrifugal Fan manufacture for TAE
- ▶ Option for axial flow fan direct grouting
- ▶ Re-engineering of WCS prefabricated chamber
- ▶ Re-engineering of AFD design/ sizes
- ▶ Newer and cost effective version of central monitoring system
- ▶ Animation and live film on TAE systems

IV. Expenditure on R & D

Capital Expenditure incurred - ₹ 260 lacs.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Hd/hd2 machine technology from quick mill for absorption & adaptation.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's Philosophy on Corporate Governance envisages the attainment of the high level of transparency and accountability in the functioning of the company and the conduct of its business internally and externally, including its inter- action with employees, shareholders, deposit-holders, creditors, consumers, institutional and other lenders and places due emphasis on regular compliance.

2. BOARD OF DIRECTORS:

The present strength of Board of Directors is Seven comprising of one Executive Director, one Non-Executive Director and five Non -Executive Independent Directors:

The Composition, category, other Directorships and Committee memberships held by them are as under:

Name of Director	Category	No. of other Directorships	No. of membership of Board Committees	No. of Board Committees for which Chairperson
Mr. Nirmal Bhogilal	Promoter, Executive	2	1	-
Mr. Vijay R. Kirloskar	Independent, Non - Executive	5	2	-
Mr. E. A. Kshirsagar	Independent, Non - Executive	6	8	4
Mr. Subodh Bhargava	Independent, Non - Executive	10	7	3
Mr. Ameet Hariani	Independent, Non - Executive	3	2	-
Mr. Ulrich H Duden	Independent, Non - Executive	-	-	-
Mr. George Verghese	Non Promoter, Non Executive	1	-	-

Note: Directorships and Committee memberships as per clause 49 of the Listing agreement are considered

Attendance of each Director at the Board Meetings and the Last Annual General Meeting.

During the year ended 31st March 2011, five Board Meetings were held on 8th May 2010, 29th July 2010, 30th October 2010, 29th January 2011 and 11th March 2011.

Name of Director	No. of Board Meetings attended	Attendance at the last AGM held on 29 th July 2010
Mr. Nirmal Bhogilal	5	Present
Mr. V. R. Kirloskar	3	Present
Mr. E. A. Kshirsagar	5	Present
Mr. Subodh Bhargava	5	Present
Mr. Ameet Hariani	3	Present
Mr. Ulrich H Duden	5	Present
Mr. George Verghese	5	Present

Board procedures

Before each meeting, the Company sends to the Board of Directors, Agenda for the meeting, along with comprehensive notes and information which is material for facilitating effective discussion and decision making at their meetings. The Senior Management including divisional heads, make presentations to the Board of Directors giving details of performance, progress, and other important developments in the respective divisions.

3. AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

Terms of Reference

The Audit Committee shall have powers which include the following:

- to investigate any activity within its terms of reference.
- to seek information from any employee.
- to obtain outside legal or other professional advice.
- to secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the audit committee shall include the following:

- i Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- iii Approval for payment to statutory auditors for any other services rendered by them.
- iv Reviewing with management the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in draft audit report.
- v Reviewing with the management, the quarterly financial statements before submission to the board for approval.
- vi Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- vii Reviewing with the management, performance of statutory and internal auditors, and the adequacy of internal control systems.
- viii Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ix Discussion with internal auditors any significant findings and follow up there on.
- x Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- xi Discussion with statutory auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xii To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- xiii To review the functioning of the Whistle Blower mechanism.
- xiv Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- xv Reviewing the Company's financial and risk management policies.

Composition

The Audit Committee of the Company comprises of three Independent Directors.

The Company Secretary of the Company acts as a secretary to the Committee.

During the year ended 31st March 2011 four Audit Committee Meetings were held on 8th May 2010, 29th July 2010, 30th October 2010 and 29th January 2011.

Present constitution of the Committee and the number of meetings attended by the Committee members during the year ended 31st March, 2011 is given below:

S.No.	Name of the Director	Designation	No.of Meeting attended
1.	Mr. E. A. Kshirsagar	Chairman	4
2.	Mr. Subodh Bhargava	Member	4
3.	Mr. Ameet Hariani	Member	3

4. REMUNERATION COMMITTEE:

Brief Description Of Terms Of Reference

- To review, assess and recommend the appointment of whole-time directors;
- To periodically review the remuneration package of whole-time directors and next level (in most cases either CEOs, CFOs or VPs) and recommend suitable revision to the Board; and
- Such other matters as may be entrusted by the Board from time to time.

Composition

The Remuneration Committee comprises of three Independent Directors.

During the year ended 31st March, 2011 two Remuneration Committee meetings were held on 8th May, 2010 and 17th January, 2011.

The present constitution of the Committee and the number of meetings attended by the Committee members during the year ended 31st March, 2011 is given below:

S.No.	Name of the Director	Designation	No.of Meeting attended
1.	Mr. E. A. Kshirsagar	Chairman	2
2.	Mr. Subodh Bhargava	Member	2
3.	Mr. V.R.Kirloskar	Member	1

Remuneration Policy

The compensation of the Executive Director is recommended by the Remuneration Committee and is approved by the Board. The remuneration policy is directed towards rewarding performance based on review of achievements. The Company does not currently have a stock option plan or performance linked incentives for its Directors.

The Company pays to its Non-Executive Directors (NED's) Sitting Fee of :

- ₹ 15,000/- per Board Meeting,
- ₹ 10,000/- per Audit Committee Meeting, Remuneration Committee Meeting and Strategic Planning Committee Meeting; and
- ₹ 5,000/- per Investors' / Shareholders' Grievance and Share Transfer Committee Meeting, Executive Committee Meeting and Selection Committee.

A Selection Committee comprising two Independent Non Executive Directors Mr. E.A Kshirsagar and Mr. Ameet Hariani and one other member Mr. P.K. Nair having expertise in Human Resource and Organisation Development was formed to comply with the Rules under Section 314 of the Companies Act, 1956.

The shareholders have at their Annual General Meeting held on 19th July 2006 approved of payment of commission to the NEDs within the ceiling of 1% of the net profits of the Company in each financial year over a period of five years commencing from Financial year 2006-07 and including the financial year 2010-11 as computed under the applicable provisions of the Companies Act, 1956. The said commission is decided each year by the Board of Directors and distributed amongst the NEDs based on their attendance and contribution at Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending meetings.

Shares Held By Non – Executive Directors:

Mr. Ameet Hariani holds 6080 Equity Shares of ₹ 5 each both of which constitute a negligible percentage of the Paid-up Equity Share Capital of the Company. All other Non- Executive Directors hold Nil Shares in the Company.

Details Of Remuneration To All The Directors For The Year Ended 31st March 2011.

(Figures in ₹)

Name of the Director	Salary	Benefits	Comm-ission	Sitting Fees	Total	Service contract/ Notice period/ Severance fees
Mr. Nirmal Bhogilal	39,60,000	37,40,000	-	-	77,00,000	Five years contract and Notice Period Six months
Mr. V. R. Kirloskar	-	-	-	55,000	55,000	Retirement by rotation
Mr. E. A. Kshirsagar	-	-	-	1,35,000	1,35,000	do
Mr. Subodh Bhargava	-	-	-	1,35,000	1,35,000	do
Mr. Ameet Hariani	-	-	-	1,25,000	1,25,000	do
Mr. Ulrich H Duden	-	-	-	75,000	75,000	do
Mr. George Verghese	-	-	-	75,000	75,000	do

Notes On Directors Seeking Re – Appointment As Required Under Clause 49 IV(G) Of The Listing Agreement

1. Mr.Subodh Bhargava (69) is a graduate from IIT, Roorkee. He started his career in Balmer Lawrie & Co., Calcutta, India in 1962 as a Production Engineer. In 1975, he joined the Eicher Group of Companies in Delhi as General Manager and retired on 31st March, 2000 as the Group Chairman and Chief Executive. He was the Past President of CII. He is Director/Member of the following Companies/ Committees.

S.No	Name of the Company	Chairman/ Director	Committees of the Board	Chairman / Member
1.	Tata Communications Limited	Chairman	Audit	Member
2.	Tata Steel Limited	Director	Audit	Chairman
3.	Samtel Color Limited	Director	Audit	Chairman
4.	TRF limited	Director	Audit	Member
5.	Carborundum Universal Limited	Director	Audit	Chairman
6.	GlaxoSmithKline Consumer Healthcare Limited	Director	Audit	Member
7.	SRF Limited	Director	Audit	Member
8.	Larsen & Tobro Limited	Director	-	-
9.	Tata Motors Limited	Director	-	-
10.	Viom Networks Limited(earlier known as WTTI info Ltd)	Chairman	-	-
11.	Tata Communications International Pte Ltd	Chairman	-	-
12.	SunBorne Energy Holdings LLC	Director	Audit	Member

2. Mr.E.A.Kshirsagar (69) is FCA (England & Wales), FCA (India) and B.Sc(Bombay). He was in Management Consultancy Division of A.F.Ferguson from 1973 and Director-in-charge from 1988 to 31st March, 2004. He specialises in Corporate Strategy & Structure, Valuation, Feasibility Studies and Disinvestment & Government/Legislation impact on Businesses. He is Director/Member of the following Companies/ Committees.

S.No	Name of the Company	Chairman/ Director	Committees of the Board	Chairman / Member
1.	JM Financial Limited	Director	Audit Remuneration	Chairman Member
2.	HCL Infosystems Limited	Director	Audit Shareholders/Investors Grievance	Chairman Member
3.	Rallis India Limited	Director	Audit Remuneration Shareholders/Investors Grievance	Chairman Member Member
4.	Merck Limited	Director	Audit	Member
5.	Tata Chemicals Limited	Director	Audit	Member
6.	JM Financial Products Limited	Director	Audit	Chairman
7.	Brunner Mond Co.(UK) Ltd, England	Director	-	-
8.	Tata Chemicals Europe Holdings Ltd, England	Director	-	-
9.	Manipal University Learning Private Limited	Director	-	-
10.	Vama Sundari Investments Pvt Ltd, Mauritius	Director	-	-
11.	Pharmarc Analytic Solutions Private Limited	Director	-	-

5. INVESTORS' / SHAREHOLDERS' GRIEVANCE & SHARE TRANSFER COMMITTEE:
Functions

The "Investors' / Shareholders' Grievance and Share Transfer Committee" of the Company, consists of two members, chaired by a Non - Executive Director.

Composition

The Committee comprises of two Directors.

Batliboi Ltd.

During the year ended 31st March, 2011 four "Investors' / Shareholders' Grievance and Share Transfer Committee meetings were held on 24th May 2010, 14th July 2010, 27th October 2010 and 28th January 2011.

The present constitution of the Committee and the number of meetings attended by the Committee members during the year ended 31st March, 2011 is given below:

S.No	Name of the Director	Designation	No.of Meeting attended
1.	Mr. Ameet Hariani	Chairman	4
2.	Mr. Nirmal Bhogilal	Member	4

The Committee meets at frequent intervals, to approve inter-alia, transfer / transmission of shares, issue of duplicate share certificates and review the status of investors' grievances and redressal mechanism and recommend measures to improve the level of investor services. Details of share transfers/ transmissions approved by the Committee are placed at the Board Meetings from time to time. The Company maintains continuous interaction with the said R&T Agents and takes proactive steps and actions for resolving complaints/queries of the shareholders/investors and also takes initiative in solving critical issues.

Compliance Officer

The Board has appointed Mr. Gaurang Shah – Chief Corporate Counsel & Company Secretary as the Compliance Officer.

Details Of Investor's Complaints

There were no complaints pending at the beginning of the year, the Company has received 30 Complaints during the year and resolved all of them during the year under review. There are no outstanding complaints as on 31st March, 2011.

6. GENERAL BODY MEETINGS:

Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Location of the Meeting	Time
2007 – 2008	25 th September 2008	Walchand Hirachand Hall, Indian Merchant Chambers, Churchgate, Mumbai 400020	3.30 P.M
2008-2009	30 th July 2009	Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6 th Floor, 12K Dubash Marg, Fort, Mumbai 400 001.	2.00 P.M
2009-2010	29 th July 2010	Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6 th Floor, 12K Dubash Marg, Fort, Mumbai 400 001.	2.30 P.M

Special Resolutions pertaining to the re-appointment / revision in remuneration of the Executive Directors were passed during the last three Annual General Meetings.

7. POSTAL BALLOT

During the year, Special Resolution under Section 81 (1-A) of the Companies Act, 1956 for issue of 6,92,480- 5 % Preference Shares of ₹ 100/- each for cash at par to the promoters, was passed through Postal Ballot on 14th Decembe, 2010 . Mr. Ashish Bhatt, of M/s Ashish Bhatt & Associates, Practising Company Secretaries were appointed as the scrutinizer for overseeing the Postal Ballot process. The above resolution was passed with requisite majority.

The Company has complied with the procedure for postal ballot in terms of Companies (Passing of Resolution by Postal ballot) Rules, 2001 and amendment made thereto from time to time.

8. DISCLOSURES:

- The Company has complied with the requirements of regulatory authorities on capital markets save and except clause 40A of the Listing Agreement. No penalties / strictures have been imposed against it during the last three years.
- None of the transactions with any of the management personnel of the company were in potential conflict with the interest of the Company at large.



- c. The Company has complied with all the mandatory requirements. The Company has also complied with non-mandatory requirement relating to setting up Remuneration Committee of the Board to determine inter alia the Company's policy on remuneration package for Executive Directors and other Directors / Senior Management Personnel.
- d. The Company has also complied with the non- mandatory requirement of adoption of Whistle Blower Policy for its employees and no personnel has been denied access to the Audit Committee.
- e. The Company has laid down the procedures to inform Board Members about the risk assessment and minimization procedures. The Board is periodically informed about business and other risks and its minimization procedures.

9. **MEANS OF COMMUNICATION:**

- i) Half yearly / Quarterly report is not being sent to each household of shareholders as the shareholders are intimated through the press about the quarterly performance and financial results of the Company.
- ii) The financial results of the Company are posted on the Company's website (www.batliboi.com) and are published in the newspapers as under :
 - Year Ended 31st March 2010 - Free Press Journal, Nav Shakti
 - Quarter Ended 30th June, 2010 - Free Press Journal, Nav Shakti
 - Quarter / Half year ended 30th September, 2010 - Free Press Journal, Nav Shakti
 - Quarter / Nine Months ended 31st December, 2010 - Free Press Journal, Nav Shakti
- iii) The details of the financial results and shareholding pattern are hosted on the Company's website "www.batliboi.com."
- iv) The Management Discussion and analysis (MD&A) is a part of Annual Report.

10. **GENERAL SHAREHOLDER INFORMATION:**

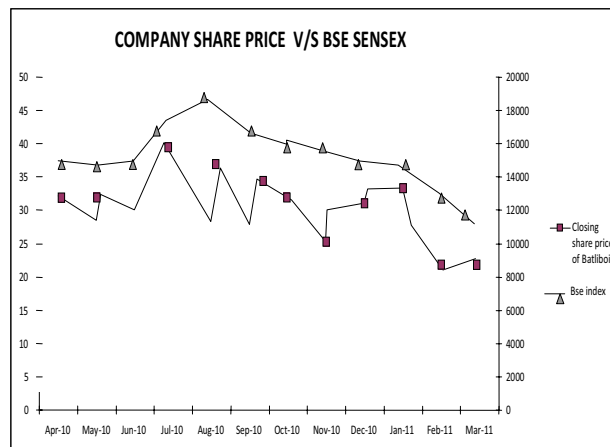
- (i) Registered Office : Bharat House, 5th Floor 104, Bombay Samachar Marg, Mumbai 400001.
- (ii) Annual General Meeting : Date and Time: 29th July 2011 at 2.30 P.M.
Venue : Babasaheb Dahanukar Hall Maharashtra Chamber of Commerce, Industry & Agriculture, Orion House, 6th Floor, 12 K Dubash Marg Fort, Mumbai – 400 001
- (iii) Financial Year : 12 months ended 31st March 2011
- (iv) Date of Book Closure : 22nd July, 2011 to 29th July, 2011 (both days inclusive)
- (v) Dividend Payment date : NA
- (vi) Listing : Company's Equity shares are listed on Bombay Stock Exchange Limited & National Stock Exchange of India Limited
- (vii) Stock Code :
 - BSE : 522004
 - NSE : BATLIBOI
- (viii) Demat ISIN Number in NSDL/ CDSL for Equity Shares : INE 177C01022
- (ix) Market Price Data : During the year ended 31st March 2011, the highest market price and the lowest price for the Company's equity shares of face value of ₹ 5/- recorded on Bombay Stock Exchange Limited & National Stock Exchange of India Limited were as follows:

Price Range

Month	BSE		NSE	
	High	Low	High	Low
April 2010	36.25	29.25	36.30	29.00
May 2010	35.00	25.50	34.10	25.10
June 2010	35.65	28.30	35.50	28.15
July 2010	41.65	31.20	41.85	29.30
August 2010	44.15	35.15	44.90	36.05
September 2010	38.00	34.00	38.80	33.95
October 2010	36.45	32.20	36.75	32.25
November 2010	35.15	27.40	35.60	27.70
December 2010	34.45	28.00	34.25	28.00
January 2011	32.80	25.05	33.45	25.05
February 2011	27.35	19.05	29.00	18.65
March 2011	25.00	18.70	24.85	18.60

Rate (₹)

Performance of the Company's share price in Comparison to BSE Sensex.



(x) Distribution of Shareholding as on 31st March, 2011:

Range (No. of Shares)		Total Holders	% of Total Holders	Total Holdings	% of Total Capital
From	To				
1	1000	11601	96.03	2125659	7.41
1001	2000	238	1.97	381946	1.33
2001	4000	127	1.06	365244	1.27
4001	6000	45	0.37	227585	0.80
6001	8000	14	0.12	97560	0.34
8001	10000	11	0.09	103514	0.36
10001	20000	16	0.13	240668	0.84
20001	& Above	28	0.23	25140374	87.65
TOTAL			100.00		100.00

(xi) Shareholding Pattern as on 31st March 2011 (Face Value ₹ 5/-)

Category	No. of Shares	Percentage (%)
Promoters and Promoter Group	23443490	81.73
Directors, their relatives (other than Promoters)	6080	0.02
Mutual Funds/Financial Institutions/ Banks/Insurance Companies	1850	0.01
Foreign Investors(FIIs/NRI/OCBs/Foreign Bank/Foreign Corporate Bodies)	972475	3.39
Bodies Corporate	761502	2.65
Individuals	3497153	12.19
Total	28682550	100.00



- (xii) Registrar and Transfer Agents : Datamatics Financial Services Ltd., Plot No. A/16 & 17, MIDC Part B, Cross Lane, Marol, Andheri (East) Mumbai 400093. Tel no: 66712151 to 56
- (xiii) Share Transfer System : Transfer of Shares held in Physical form is processed by Datamatics Financial Services Ltd. and approved by the Chairman & Managing Director or Chief Corporate Counsel & Company Secretary or Group CFO & Executive Director pursuant to powers delegated to them by the Board of Directors.
- (xiv) Dematerialisation of Shares : The Shares of the Company have been put on Compulsory Demat.As on 31st March 2011, about 83% of the total equity shares issued by the Company have been dematerialised
- (xv) Outstanding GDR/ ADR : Not applicable
- (xvi) Plant Location : (i) P. O. Fateh Nagar, Surat Navsari Road, Udhna 394 220.
(ii) Veerasandra Industrial Area, Hosur Road, Bangalore - 560100
- (xvii) Address for Correspondence : Bharat House, 5th Floor 104, Mumbai Samachar Marg, Fort, Mumbai 400001
Email id : legal@batliboi.com
Telephone : 66378200 Ext. 245

11. **INSIDER TRADING CODE:**

The Company has also adopted the Prevention of Insider Trading Code for all the Directors, Senior Management personnel and designated employees who are been expected to have access to unpublished price sensitive information. The said Code has been framed in accordance with SEBI (Prevention of Insider Trading Regulations), 1992.

12. **CEO / CFO CERTIFICATION:**

The CMD and the CFO of the Company have submitted their Compliance Certificate to the Board of Directors in terms of sub – clause V of Clause 49 of the Listing Agreement.

13. **CODE OF CONDUCT:**

The Board has laid down a Code of Conduct for all the Board Members and Senior Management of the Company which is posted on the Website of the Company. The Board Members and Senior Management have affirmed compliance with the Code of Conduct.

For **Batliboi Limited**

Sd/-

NIRMAL BHOGILAL

CHAIRMAN & MANAGING DIRECTOR

Mumbai, 18th May, 2011

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by Batliboi Limited (the Company) for the year ended 31st March 2011 as stipulated in Clause 49 of the Listing Agreement entered of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review and the information and explanations given to us by the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investor's / Shareholders Grievance & Share Transfer Committee. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **V. Sankar Aiyar & Co.**

Firm Regn. No.109208W

Chartered Accountants

Sd/-

(S. Venkatraman)

Partner

Membership No.034319

Place : Mumbai,
Date : 18th May, 2011

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The management of Batliboi Ltd. presents the analysis of Segment wise performance of your Company for the year 2010-11 and its outlook for the future. This outlook is based on assessment of the current business environment and the expectations, estimates and projections of the Directors and management of the Company. It may vary due to future economic and political development, both in the Indian and international economies and due to other factors beyond control.

A. SEGMENTWISE PERFORMANCE AND OUTLOOK

(I) Batliboi Machine Tool Group (BMTG)

Business structure

The machine Tool Group manufactures and trades various types of machine tools.

Manufacturing: The range includes General purpose machines, CNC machines and Special Purpose Machines. General Purpose machines (GPMs) include Radial drilling machines from 32mm drill to 100mm drills, Milling Machines of size I, II and III. CNC machines include CNC turning centers, Vertical Machining centers and Drilling centers. Special Purpose Machines (SPMs) which are custom built machines to meet specific needs of mass producers like automobile component industry for milling, boring, facing and centering and drilling applications as per the specific needs of the customers.

Trading: The Company represents as agents of machine tool companies from Czech Republic, Belgium, Italy, Spain, South Korea, China and Taiwan.

Developments & performance

As per data available from the Indian Machine Tool Manufacturers Association, the machine tool industry had an overall increase in demand in 2010-2011. Demand for GPMs increased by 35% and for CNC is increased by 59%. For SPMs too, the trend was encouraging as the auto sector grew by more than 20% and investment in the Power sector and Heat exchanger market also grew.

Machine Tool Udhna (MTU) division overall order booking increased by 80 % with GPM growth of 52% and CNC growth of 103%. The revenue grew by 30%.

1. Introduction of new products in market segments of education and vocational training.
2. Introduction of new products for infrastructure and power industries.
3. Introduction of new low cost turning centers for automobile and bearings industry.
4. Improvements in quality and technical specifications of existing machines to meet with customer requirements.

Growth in order booking at SPM increased by 105% and revenue grew by 118%. The increase was on the back of orders from the auto component industry and the manufacturers of Power equipment and the Oil & gas industries.

On the trading side, there was growth in order booking of 70% and revenue by 14%.

Opportunities, threats and outlook

MTU

Growth in the automobile, infrastructure and vocational training markets will continue to be the key drivers in the year 2011-2012. New products are being added to cater to the expanding markets. Development of untapped geographical areas is also planned to expand the market reach.

In view of requirements to reduce lead time, investments are planned in sophisticated machine tools to manufacture heavy components.

The division has an extremely healthy order backlog and therefore is expected to have substantial growth in 2011-2012. New products to expand the range of turning, milling and drilling machines is also planned in 2011-2012.

SPM

High growth in Power, General Engineering and Auto sector would be the key drivers for the growth of SPM in 2011-2012.

With support from the Quickmill subsidiary in Canada, further growth to meet the requirements of the Power & Infrastructure sector is expected in 2011-2012

Trading

Hereto, the growth in the power sector (thermal and wind power) and Infrastructure will continue to be the key drivers for growth. However due to intense competition amongst international players, margins are under pressure and will continue to be so in the current year as well.

Division has planned to add more products into product basket as well as have focused approach to increase business volumes and ensure growth during 2011-2012.

The main threat to business in 2011-2012 would be the negative impact, if any, on the investment climate due to increasing costs of capital and borrowing. Competition both domestic and foreign will continue to be severe and therefore with increasing costs of raw material, margins will continue to be under pressure.

(II) Batliboi Textile Engineering Group

Business Structure

The Textile Engineering Group comprises of Textile Machinery and Textile Air Engineering.

In Textile Air Engineering (TAE) the Company is a leader in manufacture and supply of climate control equipment for textile mills covering

spinning, weaving and knitting sectors.

In the Textile Machinery business (TMB) the Company represents as Agents of International Textile Machinery manufacturers covering a range of spinning, knitting, processing and garmenting machinery.

Developments and performance

TAE

The textile industry showed positive signs of improvement throughout the financial year. Spinning yarn production as well as off-take was high, with yarn prices providing reasonable profits to the mills. Overall the mills performed well with increasing profits. However, in the last quarter of the financial year, cotton prices increased considerably with yarn prices not increasing proportionately.

The business environment continues to be highly competitive, with overseas competitors reducing prices and with margins under pressure due to increasing costs of raw material. The manufacturing of products for the Company's subsidiary AESA, also added to the revenue growth of the division. The division had a growth of 80% in order booking, 57% in revenue and therefore a much improved profitability.

Pending order position is healthy and with the expected further improvement in the textile sector, 2011-2012 is expected to show further growth and improvement.

TMB

The year 2010-2011 witnessed one of the extreme fluctuations in the fortunes of different sectors of the Textile Industry. The result of this was better than targeted performance for some product line and disappointing for others.

Spinning Product line - On account of an unprecedented demand for cotton yarn coupled with a worldwide shortage of cotton, the prices of both these commodities rose sharply. Spinners decided to increase capacity to meet the increased demand that resulted in a very high level of booking for spinning equipment. Consequently, the spinning activities of this division doubled its targeted booking and billing.

Knitting and Processing Product line- The scenario was almost opposite. The rise in the input costs mainly of yarn and auxiliaries put pressure on margins making it nearly impossible for customers to execute orders in their hands at the price contracted. This resulted in non-fulfillment of contracts and consequently reduced demand for knitting and processing machines.

One of the major markets, Tirupur, suffered another major set back with the High Court ordering closure of all polluting dyeing units in Tirupur. This is one of the main markets for knitting and resulted the drying up of orders from that market. However, orders were available from other geographical regions but with our Principal's inability to fulfill customer's delivery requirements, reduced our ability to book all the expected business. All these reasons resulted in lower than budgeted performance of both these product line.

Opportunities, threats and outlook

TAE

The textile industry continues to grapple with issues such as higher indirect taxes, increased power costs, high interest rates, unfavorable labor laws, export of cotton and high cost of this raw material. However, domestic demand has seen an upsurge and the industry is likely to see another year of good performance on the back of more expansions and green field projects.

Per capita consumption of fabric is very low, in India. With a rising middle class, domestic consumption will overtake export of textiles in the long term. Considering this, the long term outlook for the industry is encouraging.

TMB

During the year, several modernization proposals were postponed because of delay in clearance of TUF scheme by Govt.

The strong order book position will enable the division to once again show good results in Spinning activities. Knitting activities also has began the year with a good pending order position and prospects in the first two months show the trend to be positive enough to achieve good results for the year. In Processing also new products which were added in the previous year are likely to provide good sales and bottom line for the division.

The main thrust during this year would be to obtain new products in the Spinning and Processing sectors in order to provide broader avenues for business growth.

(III) Air-conditioning & Refrigeration Group

Business Structure, developments and performance

The group provides turnkey solutions to large industries in the manufacturing, service and hospitality field.

Business Environment for industrial clients showed a recovery from slow phase experienced till March 2010.

Demand for package air-conditioning from clients in steel and refinery sector continued during the year. However due to longer cycle time for culmination of technical discussions, finalisation of specifications and techno commercial negotiations into orders, order booking during the year was lower than previous years.

Division had focused on completion of longer period pending projects and debt recovery. Some of the old debts being in dispute were written off during this year.

Performance was therefore affected and division ended with a loss.

Opportunities, threats and outlook

There are good opportunities in the current market scenario. Large PSU's in steel and refinery sector have expansions planned for next 3/4 years. Division is gearing up to improve its operating skills and build a contract execution team to ensure timely execution of contracts. This would provide an opportunity for the division to turn the corner and recover from the financial setback.

(IV) Quickmill Inc

Business Structure, Developments & Performance

Your Company's wholly owned subsidiary is head quartered in Peterborough, Canada and is engaged in manufacture and sale of large size Gantry Drilling and Milling Machines. Its customers are mainly from energy and component manufacturing sectors.

The performance of Quickmill continued to be severely effected in 2010-11 due to the continued global economic slowdown in the world but primarily in the North American market. The South America Markets were sluggish as many key projects where delayed due to elections in the late 2nd quarter 2010-11 causing many government projects to be put on hold. The Middle East was also slow as the economy was not faring well and In Saudi Arabia key projects were outsourced to Korean manufacturers.

The Company launched Quickdrill range of machines in India during the year. The response was encouraging and positive.

Opportunities, Threats & Outlook

It is planned in 2011-12 to explore the European markets to widen the geographical base. Strategic focus on key market segments in boiler applications, heavy off road equipment and some aerospace sectors where there has been earlier success is also planned.

Competition from the Taiwanese companies offering machines at lower prices will continue to put pressure on margins. To offset the strong Canadian dollar and increase in steel prices, focus will be to locate new suppliers, offshore purchasing of key components and some volume base purchases on components to lower costs.

Quickmill restructured its operations in February 2011 to significantly reduce cost. It invested \$271,076 CAD in research and development in fiscal 2011. With these initiatives, the Company is expected to improve its overall performance in 2011-2012 and return to profitability.

(V) AESA Air Engineering SA

Business Structure, developments and performance

Your Company's subsidiary AESA is headquartered in France with subsidiaries in China, Singapore and India. It is engaged in the business of Air Conditioning & filtration in textile, tobacco, non woven and glass industries.

After difficult 2009-10, AESA and all its subsidiaries made a recovery in 2010-11 by posting marginal profit.

Opportunities, threats and outlook

With booming market in India and in Indonesia the short term prospective is good.

Growth in China is however, not coming as per expectations due to intense competition. For sustained growth, increased focus will be on China and on non Asian markets. Thrust will be on product re engineering and Research & Development initiatives in order to remain competitive and profitable.

With heavy restructuring of business operations in China and in France and with upbeat demand from India and Indonesia, the Company is expected to do well in the year 2011-12.

B. HUMAN RESOURCES/INDUSTRIAL RELATIONS

The total numbers of employees in the Company were 594 as on 31st March, 2011.

Technical training for manufacturing personnel were conducted at the Company's manufacturing facilities at Udhna. Topics like Emotional Intelligence, TPM, CNC Machining, Continual improvement, Manufacturing – PPC, Fire prevention and protection were covered during the sessions. Productivity and Process improvement initiatives continued at the manufacturing units. A two day workshop on "Goal setting" for all MTU Officers & Managers was conducted at Udhna.

The term of the Union Wage Settlement at Udhna which got over on December 31, 2009 was signed in 2010 for the period upto March 31, 2014.

During the year under review industrial relations were cordial and pro-active and all employees and the Union supported productivity and process improvement measures undertaken at all the functions of the Company.

C. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has effective internal control systems commensurate with the size of the Company. This is further supplemented by an internal audit being carried out by an external firm of Chartered Accountants. The internal auditors conduct audits of the performance of various departments, functions and locations and also statutory compliances based on an annual audit plan chalked out in consultation with the Audit Committee. They report their observations/ recommendations to the Audit Committee of the Board of Directors, which comprises three non-executive Independent Directors. The Audit Committee reviews the Audit observations and follows up on the implementation of the suggestions and remedial measures and also recommends increased scope of coverage, wherever necessary.

D. CAUTIONARY STATEMENT:

Statements in the Management's Discussions and Analysis report describing the Company's projections or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include demand-supply conditions, raw material prices, and changes in government regulations, tax regimes, economic developments within and outside the country and other factors such as litigation and other labour negotiations.

Place : Mumbai

Date : 18th May, 2011.



AUDITORS' REPORT

The Members of Batliboi Ltd.

1. We have audited the attached balance sheet of Batliboi Ltd., as at 31st March, 2011 and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies Auditor's Report Order, 2003, issued by the Company Law Board in terms of sub-section (4A) of section 227 of the Companies Act, 1956 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:-
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - iii. The report on the accounts of Udhna Plant audited by the branch auditors of the Company have been forwarded to us and have been appropriately dealt with in preparing our report;

- iv. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account and with the audited returns received from the branch of the Company;
- v. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- vi. On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March, 2011 from being appointed as director of the Company under Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vii. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the significant accounting policies and notes to accounts in schedule 17 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
 - (a) In the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2011.
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

**For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Regn. No-109208 W**

Sd/-
**(S. Venkatraman)
Partner**

Place: Mumbai
Date: 18th May, 2011.

Membership No.:034319

ANNEXURE REFERRED TO IN OUR REPORT TO THE MEMBERS OF BATLIBOI LTD. FOR THE YEAR ENDED 31ST MARCH, 2011

Our statement on the matters specified in para 4 and 5 of the Companies (Auditors Report) Order, 2003 (“the Order”) as amended by the Companies (Auditor’s Report) (Amendment) Order, 2004, is given below. In preparing the said statement, we have considered the statements made under the aforesaid order by the branch auditors who audited the accounts of the Company’s Udhna plant.

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets have been physically verified by the management during the year at reasonable intervals having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were, in our opinion, not material and have been properly dealt with in the books of account.
- c. Since there is no disposal of substantial part of fixed assets during the year, the preparation of financial statements on a going concern basis is not affected on this account.
2. a. Physical verification of inventory has been conducted by the management at reasonable intervals during the year except in case of inventory lying with third parties where confirmations have been obtained.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and the same have been properly dealt with in the books of account.
3. Based on audit procedures applied by us and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, sub-clause (b) to (d) of sub-para (iii) of para 4 of the Order is not applicable.
4. a. Based on audit procedures applied by us and according to the information and explanations given to us, the company has taken unsecured loans from four parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 132.00 Lacs and the year end balance aggregates ₹ 122.00 Lacs.
- b. In our opinion, the rate of interest and other terms and conditions on which the aforesaid loans have been taken are prima facie, not prejudicial to the interest of the company.
- c. The Company is regular in repaying the principal amounts on aforesaid loans taken as stipulated and has been regular in the payment of interest.
5. In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are under specific marketing arrangements or goods of technical specification in respect of which comparable alternative quotations are not available, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system of the Company.
6. a. According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered in a summarized form.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and exceeding the value of ₹ 5,00,000 in respect of any party, during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
7. During the year, the Company has not accepted any deposits from the public. In this regard there has not been any order by Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
8. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
9. The Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.

10. a. During the year the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Investor Education Protection Fund, Sales-tax, Wealth Tax, Service Tax, Custom Duty and Excise Duty and other material statutory dues applicable to it with the appropriate authorities.
- b. According to the information and explanations given to us, and the records of the Company examined by us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, customs duty, excise duty or cess were in arrears, as at 31st March 2011 for a period of more than six months from the date they became payable.
- c. In respect of sales tax and excise duty dues not deposited on account of disputes, the details of amounts involved and the forum where the disputes are pending, are as under:-

Forum where dispute is pending	₹ Lacs
Sales Tax Appellate / Revisional Authority-up to Commissioner Level	53.62
Sales Tax Appellate Authority-Tribunal	35.66
Central Excise Appellate Tribunal	1.24

11. The Company does not have accumulated losses as at 31st March, 2011. The Company has not incurred cash loss during the current financial year but had incurred cash loss in the immediately preceding financial year.
12. Based on audit procedures applied by us and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to Banks during the year.
13. According to the information and explanations given to us and based on our examination of the books of account, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
14. The provisions of special statute applicable to chit fund / mutual benefit fund / societies are not applicable to the Company.
15. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause (xiv) of Para 4 of the Order are not applicable.
16. In respect of guarantees given by the Company for loans taken by a related party from banks, having regard to the

explanation that the Company has strategic business relationship with the related party and the party has extended reciprocal guarantee / charge on its current assets for financial assistance availed by the Company, the terms and conditions of the guarantees are, in our opinion, not prima facie prejudicial to the interests of the Company.

17. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, wherever the purpose is stipulated by the lender, the term loans raised during the year have been applied for such purpose.
18. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company and the cash flow statement, prima-facie, funds raised on short term basis have not been utilised for long term investment.
19. The Company has made a preferential allotment of Redeemable Non-cumulative Preference Shares during the year to parties covered in the register maintained under section 301 of the Companies Act, 1956. The price at which these shares have been issued is not prejudicial to the interest of the company.
20. The Company has not issued any secured debentures during the year, and accordingly, no securities were required to be created.
21. The Company has not raised any money by public issue during the year. Therefore, the requirement of disclosure by the management on the end use of money raised by public issue and verification of the same is not applicable.
22. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For **V. Sankar Aiyar & Co.**
Chartered Accountants
Firm Regn. No-109208 W

Sd/-
(S. Venkatraman)
Partner
Membership No.:034319

Place: Mumbai
 Date: 18th May, 2011.

BALANCE SHEET AS AT 31st MARCH 2011

₹ Lacs

	Schedule	As at 31-Mar-11	As at 31-Mar-10
I SOURCES OF FUNDS			
1. Shareholders' Funds:			
(a) Share Capital	1	1,912.13	1,434.13
Preference Share Application Money		114.00	-
(b) Reserves and Surplus	2	3,666.92	3,138.67
		5,693.05	4,572.80
2. Loan Funds :			
(a) Secured Loans	3	3,723.92	5,082.40
(b) Unsecured Loans	4	122.00	-
		3,845.92	5,082.40
3. Deferred Tax Liabilities (Net)			
		-	21.03
		9,538.97	9,676.23
II APPLICATION OF FUNDS			
4. Fixed Assets			
(a) Gross Block	5	10,795.22	11,065.70
(b) Less: Depreciation/Amortisation to date		6,005.01	6,144.23
(c) Net Block		4,790.21	4,921.47
(d) Capital Work-in-Progress (Including Capital Advances)		333.10	268.72
5. Investments			
	6	2,978.46	2,813.03
6. Current Assets, Loans and Advances			
(a) Inventories	7	2,941.40	1,963.92
(b) Sundry Debtors	8	3,815.62	3,114.32
(c) Cash and Bank Balances	9	212.45	305.50
(d) Loans and Advances	10	908.63	1,077.47
		7,878.10	6,461.20
Less: Current Liabilities and Provisions			
(a) Current Liabilities	11	5,721.58	4,127.53
(b) Provisions		719.33	660.66
		6,440.91	4,788.19
Net Current Assets			
		1,437.19	1,673.01
		9,538.97	9,676.23
<i>Significant Accounting Policies & Notes to the Accounts</i>	17		

The Schedules referred above form an integral part of the Balance Sheet

As per our report attached of even date

For and On Behalf of the Board of Directors

For **V.SANKAR AIYAR & CO.**
Chartered Accountants
Firm Regn. No. - 109208W

NIRMAL BHOGILAL
Chairman & Managing Director

VINEET GOEL
Chief Financial Officer

(S. Venkatraman)
Partner
Membership No. 034319

E.A.KSHIRSAGAR
Director

GAURANG SHAH
Chief Corporate Counsel &
Company Secretary

Mumbai
Dated : 18th May, 2011

Mumbai
Dated : 18th May, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

₹ Lacs

	Schedule	Year Ended 31-Mar-11	Year Ended 31-Mar-10
INCOME :			
1. Gross Turnover	12	13,396.03	9,819.15
Less: Excise Duty		959.77	564.33
Net Sales		12,436.26	9,254.82
2. Other Income	13	405.31	387.61
TOTAL INCOME		12,841.57	9,642.44
EXPENDITURE :			
3. Cost of Sales, Job Contracts and Services	14	7,283.50	5,418.43
4. Employees' Remuneration	15	2,270.28	1,960.97
5. Other Expenses	16	2,386.21	1,825.09
6. Interest		540.42	527.19
7. Depreciation/Amortisation		155.90	183.41
TOTAL EXPENDITURE		12,636.31	9,915.09
8. Profit Before Tax and Extraordinary Items		205.26	(272.65)
9. Extraordinary Items [Income / (Loss)]	16 A	336.29	(135.94)
Profit Before Tax		541.55	(408.59)
10. Provision for Taxation			
For Current Tax		115.80	-
For Deferred Tax (Net)		(21.03)	-
MAT Credit Available for set off		(57.80)	-
Tax Adjustments in respect of earlier years		(26.22)	3.39
Profit after Tax for the year		530.80	(411.98)
11. Add : Balance as per last Balance Sheet		980.26	1,392.24
Profit available for appropriation		1,511.06	980.26
APPROPRIATIONS			
12. Transfer to Capital Redemption Reserve		95.60	-
13. Balance carried to Balance Sheet		1,415.46	980.26
		1,511.06	980.26
14. Earnings per Share (Basic & Diluted)			
(Face Value of ₹ 5/- per Share)		1.85	(1.45)
(Refer Note No. 26 of Schedule 17 (II) of Notes of Accounts)			
Significant Accounting Policies & Notes to the Accounts	17		

The Schedules referred above form an integral part of the Balance Sheet
As per our report attached of even date For and On Behalf of the Board of Directors

For **V.SANKAR AIYAR & CO.**
Chartered Accountants
Firm Regn. No. - 109208W

NIRMAL BHOGILAL
Chairman & Managing Director

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E.A.KSHIRSAGAR
Director

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Chief Corporate Counsel &
Company Secretary

Mumbai
Dated : 18th May, 2011

Mumbai
Dated : 18th May, 2011

Batliboi Ltd.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2011

₹ Lacs

		As at 31-Mar-11	As at 31-Mar-10
SCHEDULE 1 - SHARE CAPITAL			
AUTHORISED			
461,70,400	(P.Y. 461,70,400) Equity Shares of ₹ 5/- each	2,308.52	2,308.52
692,480	(P.Y. 692,480) Preference Shares of ₹ 100/- each	692.48	692.48
		3,001.00	3,001.00
ISSUED, SUBSCRIBED AND PAID-UP			
2,86,82,550	(P.Y. 2,86,82,550) Equity Shares of ₹ 5/- (P.Y. ₹ 5/-) each fully paid	1,434.13	1,434.13
478,000	(P.Y. Nil) 5% - 5 Year Redeemable Non-cumulative Preference shares of ₹ 100/- each	478.00	-
		1,912.13	1,434.13

Notes:

Of the above:

Equity Shares

- The face value of equity shares of the company of ₹ 10/- each has been sub-divided into equity shares of ₹ 5/- each w.e.f. 4th October, 2007.
- 35,00,000 Equity Shares of ₹ 5/- each were issued as fully paid up in 1982 to the shareholders of erstwhile Batliboi And Co. Ltd. as per scheme of amalgamation.
- 56,000 Equity Shares of ₹ 5/- each were allotted in earlier years as fully paid Bonus Shares by way of Capitalisation of Reserves.
- 16,80,000 Equity Shares of ₹ 5/- each were issued as fully paid up this year to the shareholders of erstwhile Batliboi SPM Pvt. Ltd. as per the Scheme of Amalgamation.

Preference Shares

- 4,78,000, 5% Non Cumulative Preference Shares of ₹ 100 each are allotted during the year and are redeemable at the end of 5 years. The earliest date of redemption is 27th March, 2016.

SCHEDULE 2 - RESERVES AND SURPLUS

₹ Lacs

	Balance as at 01/04/2010.	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	Balance as at 31/03/2011
Capital Reserves	25.00	-	-	25.00
Capital Redemption Reserve	620.98	95.60	620.98 *	95.60
Revaluation Reserve	452.96	-	2.55	450.41
Securities Premium Account	393.01	-	-	393.01
General Reserve	603.41	620.98 *	-	1,224.39
Investment Allowance Reserve Utilised	63.05	-	-	63.05
	2,158.41	716.58	623.53	2,251.46
Balance in Profit & Loss Account	980.26	530.80	95.60	1,415.46
	3,138.67	1,247.38	719.13	3,666.92

* Represents the amount transferred from Capital Redemption Reserve to General Reserve during the year.



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2011

₹ Lacs

	As at 31-Mar-11	As at 31-Mar-10
SCHEDULE 3 - SECURED LOANS		
FROM BANKS [Refer Note:17(II) - 4 a, b, c, d & 16a]		
(a) Cash Credit and Working Capital Borrowings	1,575.05	1,799.04
(b) Rupee Term Loan		
From Scheduled Co-op. Bank	204.38	328.35
From Banks	832.95	1,363.03
[Repayable within 1 year ₹ 543.53 Lacs (P.Y. ₹ 653.20 Lacs)]		
(c) Foreign Currency Term Loan	1,111.54	1,591.98
[Repayable within 1 year ₹ 573.89 Lacs (P.Y. ₹ 519.90 Lacs)]		
	3,723.92	5,082.40
SCHEDULE 4 - UNSECURED LOANS		
1. Loan from Director	10.00	-
2. Other Loans	112.00	-
	122.00	-

SCHEDULE 5 - FIXED ASSETS

₹ Lacs

	GROSS BLOCK			DEPRECIATION/AMORTISATION					NET BLOCK	
	As at 01-Apr-10	Additions/ Adjustments	Deductions/ Adjustments	As at 31-Mar-11	Upto 31-Mar-10	For the Year	Deductions/ Adjustments**	Upto 31-Mar-11	As at 31-Mar-11	As at 31/03/2010
Land (Freehold)	1,895.22	-	-	1,895.22	-	-	-	-	1,895.22	1,895.22
Land (Leasehold) *	434.49	-	-	434.49	-	-	-	-	434.49	434.49
Buildings *										
On Freehold Land	1,316.08	3.31	(65.89)	1,253.50	539.29	30.25	(36.93)	532.62	720.90	776.79
On Leasehold Land	266.99	-	58.90	325.89	162.34	7.91	34.23	204.48	121.41	104.65
Plant & Machinery	5,790.09	25.81	(247.62)	5,568.28	4,283.70	83.42	(224.92)	4,142.20	1,426.08	1,506.39
Office equipment/computers etc.	748.62	20.41	(24.81)	744.22	655.75	19.33	(22.28)	652.80	91.42	92.87
Furniture,Fixtures,Fans and Electrical Fittings	216.93	1.20	(0.84)	217.29	125.87	12.64	(0.60)	137.91	79.38	91.06
Vehicles	69.68	9.79	(50.74)	28.73	49.68	2.35	(44.62)	7.41	21.31	20.00
Intangible Assets-Tech. Know-how	327.60	-	-	327.60	327.60	-	-	327.60	-	-
T O T A L	11,065.70	60.52	(331.00)	10,795.22	6,144.23	155.90	(295.12)	6,005.01	4,790.21	4,921.47
(Previous Year)	(11,015.65)	(49.30)	(-0.74)	(11,065.70)	(5,957.26)	(183.41)	(-3.57)	(6,144.23)	(4,921.47)	(5,058.37)
Capital Work-in-Progress including Capital Advances									333.10	268.72
(Previous Year)									(268.72)	(281.73)
T O T A L									5,123.31	5,190.19
(Previous Year)									(5,190.19)	(5,340.10)
For depreciation Refer Note 17(I) - (5)										
* Includes ₹ 434.49 Lacs value of Land and ₹ 210.23 value of Building acquired under scheme of amalgamation from erstwhile Batliboi SPM Pvt. Ltd. in respect of which title is under transfer in Company's name.										
** Includes ₹ 2.55 Lacs being the depreciation on revalued assets drawn from Revaluation Reserve (SPM).										

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2011

₹ Lacs

	As at 31-Mar-11	As at 31-Mar-10
SCHEDULE 7 - INVENTORIES		
1. Raw Materials	1,450.39	906.60
2. Work-in-Progress	1,349.33	997.98
3. Stock of machines, including own manufactured	78.70	19.97
4. Stores and Spare Parts	43.77	21.71
5. Loose Tools	16.17	14.44
6. Value of incomplete job contracts carried forward	3.04	3.22
Less: Progress payment received/billing against above	- 3.04	- 3.22
	<u>2,941.40</u>	<u>1,963.92</u>
Note: [Refer Note 17(l) - (9) for mode of valuation]		
SCHEDULE 8 - SUNDRY DEBTORS		
UNSECURED (Unless otherwise stated)		
1. Debts outstanding for a period exceeding six months Considered Good	1,414.29	1,065.83
Considered Doubtful	96.77	95.49
Less: Provision for doubtful debts	96.77 -	95.49 -
	<u>1,414.29</u>	<u>1,065.83</u>
2. Other debts- Considered Good	2,401.33	2,048.49
	<u>3,815.62</u>	<u>3,114.32</u>
SCHEDULE 9 - CASH AND BANK BALANCES		
1. Cash and Cheques on hand and at collection centres		
including remittances in transit ₹ Nil	7.88	53.05
(PY ₹ Nil)		
2. Balances with Scheduled Banks :		
In Current Account	74.06	97.63
In Deposit Account (Towards Margin on Guarantees /L/Cs)	130.51	154.82
(Deposit receipts pledged with the banks)		
	<u>212.45</u>	<u>305.50</u>

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2011

₹ Lacs

	As at 31-Mar-11	As at 31-Mar-10
SCHEDULE 10 - LOANS AND ADVANCES		
UNSECURED-CONSIDERED GOOD UNLESS SPECIFIED OTHERWISE		
1. Staff Loans	17.46	14.06
2. Advances recoverable in cash or in kind or for value to be received	779.04	992.22
Considered Doubtful	56.83	66.25
Less: Provision for doubtful advances	56.83	66.25
	<u>779.04</u>	<u>992.22</u>
3. Balances with Excise, Customs and Port Trust	54.33	22.61
4. Taxes paid in advance and deducted at source (net of Provision for tax)	-	48.58
5. MAT Credit Available for set off	57.80	-
	<u>908.63</u>	<u>1,077.47</u>
SCHEDULE 11 - CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
1. Sundry Creditors		
a) Due to Micro and Small Enterprise (Refer Note 17(II) -28)	44.17	98.92
b) Others	3,209.05	2,341.09
2. Advances and Deposits from Customers	1,451.62	1,120.70
3. Unclaimed Dividend	8.84	8.89
4. Other Liabilities	941.79	521.40
5. Interest accrued but not due on loans	66.11	36.52
	<u>5,721.58</u>	<u>4,127.53</u>
B. PROVISIONS		
1. Provision for Gratuity	542.11	520.65
2. Provision for Leave Encashment	143.80	140.01
3. Provision for Taxation	33.42	-
	<u>719.33</u>	<u>660.66</u>
	<u>6,440.91</u>	<u>4,788.19</u>



SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

₹ Lacs

	Year Ended 31-Mar-11	Year Ended 31-Mar-10
SCHEDULE 12 - GROSS TURNOVER		
1. Sales [Refer Note: 17(II) -19]	12,038.93	8,556.79
2. Service Charges	325.49	325.43
3. Commission	613.59	607.23
4. Revenue from Job Contracts	418.02	329.70
	13,396.03	9,819.15
SCHEDULE 13 - OTHER INCOME		
1. Dividend	0.61	1.66
2. Exchange Difference Gains	3.86	-
3. Profit on Sale of Investments (Net)	3.66	-
4. Insurance, and Other Claims	3.25	-
5. Excess Provision of earlier years written back	-	30.67
6. Diminution in the value of investment	3.00	-
7. Rent	3.50	25.50
8. Unclaimed Credit Balances appropriated	69.54	44.32
9. Discounts and Allowances	1.21	-
10. Interest (TDS - ₹ 1.19 lacs (PY - ₹ 1.41 lacs))	17.11	13.57
11. Miscellaneous Receipts	299.57	271.89
	405.31	387.61
SCHEDULE 14 - COST OF SALES, JOB CONTRACTS & SERVICES		
1. Cost of Sales		
Raw Materials Consumed (Refer Note:17(II) -20 & 21)	5,748.35	3,833.74
2. (Increase)/Decrease in Stocks		
Stock at close :		
Work-in-Process	1,349.33	997.98
Stock of Machines and Own Manufactured Machines (Including excise duty)	78.70	19.97
	1,428.03	1,017.95
Less :		
Stock at Commencement :		
Work-in-Process	997.98	1,112.15
Stock of Machines and Own Manufactured Machines (Including excise duty)	19.97	54.90
	1,017.95	1,167.05
	(410.08)	1,167.05
	5,338.27	3,982.84
Less:Self Consumption for Job Contracts	(145.67)	(147.10)
	5,192.60	3,835.74
3. Purchases of products for Sale (Incl.expenses)	1,291.00	995.91
4. Cost of Job Contracts (includes self Consumption)	339.76	286.51
5. Cost of Services Rendered	137.58	147.13
6. Job work charges incurred	322.56	153.15
	7,283.50	5,418.43

Batliboi Ltd.

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

₹ Lacs

	Year Ended 31-Mar-11	Year Ended 31-Mar-10
SCHEDULE 15 - EMPLOYEES' REMUNERATION		
1. Salaries, wages, Allowances and Bonus	1,817.67	1,554.84
2. Contribution to Provident and Other Funds	158.12	170.11
3. Payments & Provision for Gratuity	121.93	89.95
4. Staff Welfare Expenses	172.56	146.07
	2,270.28	1,960.97
SCHEDULE 16 - OTHER EXPENSES		
1. Rent	116.80	113.03
2. Rates and Taxes	20.97	18.98
3. Power and Fuel	203.26	142.84
4. Insurance	16.04	13.90
5. Sales Commission	137.15	208.38
6. Exhibitions/ Advertisement Expenses	62.12	10.86
7. Printing and Stationery	22.94	18.80
8. Travelling and Conveyance	292.42	225.33
9. Audit, Legal and Professional Charges	90.19	83.31
10. Royalty & Technical Fees	20.94	7.30
11. Bank Commission and other charges	53.70	45.28
12. Vehicle Maintenance	65.63	51.87
13. Postage, Telephone, Telex Charges etc.	74.06	65.39
14. Packing and Cartage	65.56	61.34
15. Stores & Loose Tools Consumed	114.55	123.58
16. Sales Tax	5.44	4.34
17. Repairs to Machinery	43.01	46.36
18. Repairs to Buildings	32.16	14.66
19. Repairs to Other Assets	28.89	23.15
20. Labour Charges	369.14	283.00
21. Discounts and Allowances to Customers	15.38	0.14
22. Directors' Sitting Fees	4.75	6.29
23. Loss on Sale / Assets Written Off	24.86	-
24. Bad Debts	183.59	73.51
25. Provision for Doubtful Debts/Advances	(7.53)	(24.57)
26. Exchange difference	-	30.65
27. Miscellaneous Expenses	330.19	177.37
	2386.21	1,825.09
SCHEDULE 16A - EXTRAORDINARY ITEMS		
1. Legal Claims	346.45	-
2. Sale of Fixed Asset	(163.48)	-
3. Exchange Difference ECB Loans & Preference Shares Investment	(91.82)	135.94
4. Amounts received from Welfare Trusts (Refer Note - 17(II) - 6)	(427.43)	-
(Income) / Expense	(336.29)	135.94

**SCHEDULE 17****SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS****I) SIGNIFICANT ACCOUNTING POLICIES****1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial statements are prepared under the historical cost convention (except for certain fixed assets at Udhana, Coimbatore and Bangalore (SPM Division), which have been revalued) in accordance with the Companies (Accounting Standard) Rules, 2006 issued by the Central Government under the Companies Act, 1956, to the extent applicable, and in compliance with generally accepted accounting principles in India.

2) USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively when revised.

3) REVENUE RECOGNITION**A) Revenue from sale of goods:**

Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer.

B) Service Income:

Income from annual maintenance services is recognized proportionately over the period of contract.

C) Revenue from Works Contracts:

Revenue from works contracts is recognized on "Percentage of completion method".

Percentage or stage of completion is determined by the proportion that contract cost incurred for work performed up to the reporting date bears to the estimated total costs of the contract.

4) FIXED ASSETS

Fixed Assets are stated at their original cost of acquisition including incidental expenses related to acquisition and installation except some land & buildings (excluding residential flats) and plants and machinery, which are adjusted on revaluation. The fixed assets manufactured by the company are stated at manufacturing cost or net realizable value whichever is lower, prevailing at the time of capitalization. Fixed assets are shown net of accumulated depreciation and amortization, wherever applicable.

5) DEPRECIATION**a) Depreciation on all assets of the Manufacturing Unit, excepting those of Tool Room, certain assets transferred from branches and the Wind Mill is provided under the Straight Line Method as under:**

- i. On assets added up to 01.04.1987 at the rates applicable at the time of acquisition of these assets in accordance with the Circular No.1/86 dtd. 21.05.1986 of the Company Law Board.
- ii. On assets added between 01.04.1987 to 15.12.1993, at the rates and in the manner specified in Schedule XIV of the Companies (Amendment) Act, 1988.
- iii. On assets added after 15.12.1993, at the revised rates prescribed in Schedule XIV of the Companies (Amendment) Act, 1988 vide notification no. GSR 756 (E) dated 16.12.1993 in accordance with Circular 14/93, dated 20.12.1993.

b) Depreciation on all other assets, assets of Tool Room and assets transferred to manufacturing unit from branches and assets of SPM Division has been provided under the Written Down Value method at the revised rates, prescribed in Schedule XIV of the Companies (Amendment) Act, 1988 vide notification no. GSR 756 (E) dated 16.12.1993 in accordance with Circular 14/93, dated 20.12.1993.**c) Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the date of such addition or up to the date of such sale/disposal as the case may be.****d) Depreciation on revalued assets is calculated on the replacement value at the rates considered applicable by the valuers and is charged to Profit and Loss account. In respect of revalued building of SPM, the difference between depreciation on replacement value and on written down value basis is drawn from revaluation reserve created on revaluation to the extent the balance in such reserve is available.****6) IMPAIRMENT OF ASSETS**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

- a) An impairment loss is recognized where the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at weighted average cost of capital.
- b) After impairment, depreciation is provided in subsequent periods on the revised carrying amount of the asset over its remaining useful life.
- c) A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value in use after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

7) INTANGIBLE ASSETS

Cost of technical know-how incurred on technical drawings/designs/data for the manufacture of new products is capitalized on receipt of such drawings/designs/data. The technical know-how is amortized from the year in which commercial production commences over its useful life determined by technical evaluation.

8) INVESTMENTS

Long-term investments are stated at cost including all expenses incidental to acquisition. Provision is made to recognize a decline, other than temporary in the value of long-term investments. Current investments are stated at lower of cost and fair value.

9) VALUATION OF INVENTORIES

- a) Inventories comprising Raw Materials, Work in Progress, Finished Goods, Stores and Loose Tools, are valued at lower of cost or net realizable value.
- b) Incomplete job contracts are valued at the direct cost incurred on such contracts.

10) EMPLOYEE BENEFITS

a) Defined Contribution Plans

The company has defined contribution plans for post employment benefits in the form of Superannuation Fund for Managers/Officers which is administered by Life Insurance Corporation of India (LIC), Provident Fund for employees at manufacturing facility administered by Regional Provident Fund Authorities, besides ESIC and Labor Welfare Fund. The company's contributions to Defined Contribution Plans are charged to Profit and Loss Account as and when incurred and the company has no further obligation beyond making the contributions.

b) Defined Benefits Plans

- i. The company's liabilities towards gratuity, leave encashment and compensated absence are determined and provided on the basis of actuarial valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method for measuring the liability is the Projected Unit Credit Method.
- ii. In respect of employees at the head office and branch, provident fund contributions are made to a trust administered by trustees. The interest payable by the trust to the members shall not be lower than the statutory rate declared by the Central Government and shortfall, if any, shall be made good by the Company.
- iii. Other short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
- iv. Actuarial gains and losses are immediately recognized in the Profit and Loss Account of the year without resorting to any amortization/deferment.
- v. Termination benefits are immediately recognized as an expense in Profit and Loss account, as and when incurred.

11) PROVISIONS AND CONTINGENT LIABILITIES

Provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current estimates. Contingent liabilities are disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

12) FOREIGN CURRENCY TRANSACTIONS

- a) Foreign currency transactions are recorded on initial recognition at the exchange rate in force on the date of the transaction. Exchange differences arising on settlement of monetary items (cash, receivables, payables etc.) are recognized in profit and loss account in the period in which they arise.
- b) Foreign currency monetary items are reported at exchange rates prevailing at the end of the accounting period and the gains/losses are recognized in the profit and loss account.



- c) The premium or discount arising at the inception of forward exchange contracts is amortized as an expense or an income over the life of the contract.

13) EXPENSES ON ISSUE AND PREMIUM ON REDEMPTION OF SECURITIES

Expenses on issue of shares and debentures and premium on redemption of debentures are charged to Securities Premium Account.

14) TAXES ON INCOME:

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year. Deferred tax is recognized, subject to the consideration of prudence as per Accounting Standard-22 (Accounting for taxes on income) on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only to the extent that there is timing difference the reversal of which will result in sufficient income. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future.

II) NOTES FORMING PART OF ACCOUNTS

1. Contingent Liabilities not provided for in respect of:

- Claims against the company not acknowledged as debts: ₹ 149.72 Lacs (Previous Year: ₹ 369.57 Lacs).
- Disputed sales tax/Excise demands under appeal ₹ 76.30 Lacs (Previous Year: ₹ 86.78 Lacs).
- Corporate Guarantees given to banks and financial institutions for credit facilities/ performance guarantees extended by them to Batliboi Environmental Engineering Limited (BEEL), a related party: ₹ 2690.00 Lacs (Previous year: ₹ 2690.00 Lacs). Balance outstanding as on 31.03.2011: ₹ 2360.26 Lacs (Previous Year: ₹ 2082.05 Lacs).
- Guarantees given on behalf of the Company by its bankers and outstanding ₹ 1318.05 Lacs (Previous year: ₹ 1182.26 Lacs). Out of the above, Guarantees of ₹ 224.64 Lacs (Previous year ₹ 100.51 Lacs) given by Company's bankers and outstanding in respect of contracts of Batliboi Environmental Engineering Limited (BEEL), a related party.
- In respect of guarantees given by the company to the bankers of Batliboi Environmental Engineering Limited (BEEL), a related party, BEEL has given counter guarantees on behalf of the Company and extended charge on its current assets to secure the financial assistance availed by the Company from banks/financial institutions [Refer note II- 4-(a)(ii)].
- Company has given Corporate Guarantee to others on behalf of its step down subsidiary Quickmill Inc amounting to CAD 0.74 Million equivalent to ₹ 339.87 Lacs (Previous year CAD 0.74 Million equivalent to ₹ 326.23 Lacs).

2. Disclosure for Provisions in terms of AS-29:

₹ Lacs

Provisions	Opening Amount	Additional Provision	Amount used	Amount Reversed	Closing Amount
2010-11	205.17	109.44	50.64	27.98	235.99
2009-10	194.63	67.90	16.76	40.60	205.17

The aforesaid Provisions are made towards claims made by sales tax and excise authorities pending under appeal and provisions for warranty cover related to parts sold and jobs executed.

3. Estimated amount of contracts remaining to be executed on capital account not provided for: ₹ 135.00 Lacs (Previous Year: ₹ 27.24 Lacs).

4. Borrowings and Security:

a. Security for Bank Borrowings:

- Working Capital Borrowings from Bank of Baroda led consortium banks on cash credit/overdraft/short term loan and non-fund based facilities are secured by way of first pari passu charge by hypothecation of stock of raw materials, goods in process, finished goods, stores and spares, books debts, outstanding monies, receivables, claims etc. pertaining to the manufacturing division at Udhana and the marketing branches situated all over India, both present and future; besides Second pari passu charge by way of registered mortgage on the immovable property of the company together with plant and machinery attached to the earth or permanently fastened to anything attached to the earth situated at free-hold land at Udhana, Gujarat. Working capital limits of amalgamated SPM division (erstwhile "Batliboi SPM Pvt Ltd") sanctioned by Canara Bank are secured by hypothecation of Book Debts and Inventories of SPM Division. Canara Bank also has first charge on land and building of SPM Division situated at Bangalore.
- A specific guarantee facility of ₹ 288 Lacs (Previous year ₹ 288 Lacs) of BEEL from a bank, is secured by first pari passu charge by way of an equitable mortgage of the immoveable properties of the company situated at leasehold land at Deonar, Mumbai.

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- b. Rupee Term Loans from a Co-operative Scheduled Bank is secured by first charge on the fixed assets financed by these term loans and Second Charge on the Company's immovable and movable property at Udhana, Gujarat. Working capital lender banks have the second pari passu charge on the said fixed assets.
- c. Rupee Term Loan from a bank is secured by first pari passu charge on the entire fixed assets of the Company situated at Udhna, Gujarat along with other term lenders.
- d. Foreign Currency Term Loans and other Rupee Term Loan are secured by first pari passu charge on the entire fixed assets of the Company situated at Udhna, Gujarat along with other term lenders.
5. a. Balances of Debtors & Creditors are as per books of account. Letters have been sent to selected Debtors & Creditors seeking confirmation of balances and replies are awaited. Adjustments, if necessary, will be made on receipt of such confirmations/reconciliation.
- b. In the opinion of the Board of Directors, Current Assets, Loans and Advances have a realizable value in ordinary course of the business at least equal to the amounts at which they are stated in the Balance Sheet.
6. Pursuant to Section 40A (11) of the Income Tax Act, 1961, the company has during the year claimed back the unutilized amounts that were lying with the Welfare Trusts and the company has received ₹ 427.43 lacs.
7. By virtue of acquisition proceeding, Surat Municipal Corporation (SMC), acquired land admeasuring 2541.84 Sq. meter at Udhna in 1995-96, without paying any compensation. SMC had also acquired land admeasuring 3360 Sq. meter at Udhna in the FY 2007-08 against which SMC paid compensation of ₹ 3.16 Lacs after adjusting betterment charges of ₹ 15.99 Lacs and TDS of ₹ 2.79 Lacs. The Company has preferred an application against the said compensation before the Principal Judge Sr. Division Court Surat, claiming compensation at the prevailing market price. Pending the final compensation, the amount received as above has been disclosed under the head "Current Liabilities".
8. Interest comprises of the following:

₹ Lacs

	2010-11	2009-10
Interest on Fixed Loans	274.66	305.70
Interest – Others	265.76	221.49
Total	540.42	527.19

9. Taxes on Income:

Deferred Taxes: The major components of deferred tax assets and liabilities are set out below:

₹ Lacs

	31-Mar-11	31-Mar-10
i. Deferred Tax Assets:		
Unabsorbed business loss/unabsorbed depreciation	340.41	278.44
Provision for Doubtful Debts, Advances, Diminution in Value of Investments, and Employee Benefits	153.03	123.72
ii. Deferred Tax Liabilities:		
Depreciation on Fixed Assets	493.44	423.19
iii. Net Deferred Tax Assets/(Liabilities)	Nil	(21.03)

10. Employee Benefits:

A. *Defined Contribution Plans:*

The company has recognized the following amounts in the Profit and Loss Account for the Year:

₹ Lacs

	2010-11	2009-10	Refer Item	Refer Schedule
a) Contribution to Employees Provident Fund i.r.o. employees at manufacturing facilities	45.87	48.10	2	15
b) Contribution to Employees Superannuation Fund	48.98	61.13	2	15

B. Defined Benefit Plans/Compensated Absence:
General description of Defined Benefit Plan
Gratuity:

The company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days/one month salary last drawn for each completed year of service depending on the length of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service.

(i) Gratuity and Compensated Absence as per actuarial valuation on 31st March, 2011:

₹ Lacs

	Gratuity	Leave Encashment	Compensated absence
	Non-funded	Non-funded	Non-funded
● Changes in the Present Value of Obligation			
a) Present Value of Obligation as at 1 st April, 2010	507.23	119.68	6.29
b) Interest Cost	40.58	9.57	-
c) Service Cost	24.59	16.46	-
d) Curtailment Cost/(Credit)	-	-	-
e) Settlement Cost/(Credit)	-	-	-
f) Benefits Paid	100.47	21.50	NA
g) Interest guarantee (if relevant)	-	-	-
h) Actuarial (Gain)/Loss	53.72	(0.70)	3.36
i) Present Value of Obligation as at 31 st March, 2011	525.65	123.51	9.65
● Changes in the Fair Value of Plan Assets			
a) Present Value of Plan Assets as at 1 st April, 2010	NIL	NIL	NIL
b) Expected Return on Plan Assets	NA	NA	NA
c) Actuarial (Gain)/Loss	NIL	NIL	NIL
d) Employers' Contributions	NIL	NIL	NIL
e) Benefits Paid	NA	NA	NA
f) Present Value of Obligation as at 31 st March, 2011	NIL	NIL	NIL
● Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets			
a) Present Value of Defined Benefit Obligation as at 31 st March, 2011	525.65	123.51	NIL
b) Fair Value of Plan Assets as at 31 st March, 2011	NIL	NIL	NIL
c) Net Liability recognized in the Balance Sheet (as at 31 st March, 2011)	525.65	123.51	NIL
● Expenses Recognized in the Profit and Loss Account			
a) Service Cost	24.59	16.46	NIL
b) Interest Cost	40.58	9.57	NIL
c) Expected Return on Plan Assets	NIL	NIL	NIL
d) Curtailment Cost/(Credit)	NIL	NIL	NIL
e) Settlement Cost/(Credit)	NIL	NIL	NIL
f) Net Actuarial (Gain)/Loss	53.72	(0.70)	NIL
g) Total Expenses recognized in the Profit and Loss A/c	118.89	25.33	NIL

● Actual Return on Plan Assets			
● Estimated Contribution to be made in the next annual year			
● The Composition of Plan Assets: i.e. Percentage of each Category of Plan Assets to Total Fair Value of Plan Assets as at 31 st March, 2011		NIL	NIL
a) Govt of India Securities		NA	NA
b) Corporate Bonds		NA	NA
c) Special Deposit Scheme		NA	NA
d) Equity Shares of Listed Companies		NA	NA
e) Property		NA	NA
f) Insurance Managed Funds		NA	NA
g) Others		NA	NA
h) Total		NA	NA
● Actuarial Assumptions			
Retirement age	58 years for employees at manufacturing facilities at Udhana and 60 years at other locations.		
Discount rate	8.00%		
Mortality	LIC(1994-96) ULTIMATE		
Withdrawal rate	1% p.a		
Salary escalation*	4% p.a		

Notes:

*The estimate of future salary increases considered in actuarial valuation are on the basis of rough approximation of the salary, an employee will be receiving at the time of actual payment of gratuity/leave encashment. A suitable growth rate is assumed for this purpose. This is implied in the Projected Unit Credit Method.

(ii) Provident fund:

The Guidance issued by the Accounting Standard Board (ASB) on implementing AS-15 Employee Benefits (Revised 2005) states that provident funds set-up by employers, which require interest shortfall to be met by the employer, needs to be treated as defined benefit plan.

Pending the issuance of the guidance note from the Actuarial Society of India, the company's actuary has expressed his inability to reliably measure provident fund liability. Accordingly, the company is unable to exhibit the related disclosures.

The Provident Fund Trust has surplus to meet out the shortfall on account of increase in the rate of interest on Provident Fund Balances for the year 2010-11.

11. Remuneration to Directors:

	₹ Lacs	
	2010-11	2009-10
Remuneration of Whole-time Directors:		
Salaries	71.10	49.84
Contribution to Provident & Other Fund	4.75	5.98
Provision for Superannuation/Purchase of Annuity	5.15	6.48
Monetary Value of Perquisites	6.07	26.63
Gratuity & Leave Encashment	-	39.04
Total	87.07	127.97
Nos. of whole-time Directors	1	*2
Remuneration of Directors Other than Whole-time Directors:		
Sitting Fee	4.75	5.20
Commission	-	-
Total	4.75	5.20

* Mr.George Verghese ceased to be Executive Director w.e.f. 31.12.2009



- b) In view of losses (after adjusting the losses of earlier years against the profits of the current year) no commission is payable to directors. Hence computation of net profit under Section 349 of the Companies Act, 1956, has not been given.

12. Audit, Legal & Professional Charges (including Service tax), under Item 8 of Schedule 16, include the following payments to Auditors:

₹ Lacs

	2010-11		2009-10	
	Statutory Auditors	Branch Auditors	Statutory Auditors	Branch Auditors
a) Audit Fees	6.20	1.25	6.25	1.25
b) Tax Audit	-	0.50	0.65	0.50
c) Certification	1.90	-	1.80	-
d) Expenses	1.13	0.71	0.51	0.62
e) Other Services	2.50	1.68	2.40	1.39
Total	11.72	4.14	11.61	3.76

13. C.I.F. Value of Imported Items:

₹ Lacs

	2010-11	2009-10
a) Raw Materials and Components	598.83	497.59
b) Stores and Spare parts	-	-
c) Purchases for Trading	34.02	7.73
d) Capital Goods	52.02	-
Total	684.87	505.32

14. Expenditure in Foreign Currency, on accrual basis:

₹ Lacs

	2010-11	2009-10
a) Travelling expenses	20.12	9.98
b) Interest on ECB Loan	22.44	43.90
c) Others	5.61	19.78
Total	48.17	73.66

15. Earnings in Foreign Currency, on accrual basis:

₹ Lacs

	2010-11	2009-10
Commission/other income	584.32	588.60
Total	584.32	588.60

16. (a) Foreign currency long term loan includes:

- (i) Canadian Dollar (CAD) 1701000 i.e. ₹ 782.29 Lacs against which the company has not taken any forward cover as at balance sheet date.
- (ii) EURO 316575 i.e. ₹ 200.65 Lacs against which the company has not taken any forward cover as at balance sheet date. The company has natural hedge against commission receivable.
- (iii) USD 288384 i.e. ₹ 128.60 Lacs against which the company has no forward cover or natural hedge.
- (iv) The company has no exposure by way of derivative contracts.

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(b) Exchange Gains/Loss credited/charged to Profit and Loss Account: Exchange Gain ₹ 95.68 Lacs (P.Y. Exchange Loss ₹ 166.59 Lacs).

17. Details of licensed capacity, installed capacity and production of each class of goods manufactured:

		CAPACITY*				PRODUCTION**	
		LICENCED		INSTALLED			
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
a) Machine Tools	Nos.	634	634	634		536@@	447@@
b) Installations for Humidification and Air Control & Compressors	Nos.	450	450	450	450	**3750	**4909
c) Exhaust Fans and Similar Duct Works	Nos.	600	600	600	600	1334	621
d) Water Pollution Control Installations	Nos.	50	50	****	****	-	-
e) Equipments for Air Pollution Control	Nos.	640	640	****	****	-	-
f) Files	Doz.	90000	90000	****	****	-	-
g) Tool Bits	Doz.	10000	10000	10000	10000	-	-
h) C.I.&Alloy Castings	M.T.	5400	5400 (Single Shift)	3600 (Double Shift)	3600 (Double Shift)	1714	1125
i) S G Iron Castings	M.T.	***	***	***	***	-	-
j) Aluminum Castings	M.T.	***	***	***	***	16@	17@

@ Includes for captive consumption as under:

		2010-11	2009-10
	Unit	Qty.	Qty.
C.I.Castings	M.T.	1695	1119
Aluminium Castings	M.T.	16	17
S.G. Iron Casting	M.T.	NIL	NIL
Hmd & A/ctr and Compr.	Nos.	NIL	NIL

* Capacity Figures are on annual basis

** Includes production of parts of equipments. Nos. 3750 (Previous year : 4909 Nos.); and Production of equipments 1334 Nos (Previous year: 621 Nos.)

@ @ Includes SPM production

*** Spare capacity available at Udhana for production of C.I.Castings was utilized for the production of items under i & j above.

**** Since plant was sold, disclosure is no more required.

18. Opening and Closing Stock Of Goods Manufactured:

	Unit	OPENING STOCK				CLOSING STOCK			
		As at 01-Apr-10		As at 01-Apr-09		As at 31-Mar-11		As at 31-Mar-10	
		Qty	₹ Lacs	Qty	₹ Lacs	Qty	₹ Lacs	Qty	₹ Lacs
a) Machine Tools	Nos.	-	-	1	31.50	-	-	-	-
b) Humidification Air Control/ Exhaust Fans & Compressors	Nos.	-	-	11	7.58	-	-	-	-
c) Castings	M.T.	-	-	-	-	-	-	-	-
d) Spares	Nos.	-	-	-	-	-	-	-	-
Total					39.08				



19. Turnover of Goods:

	Unit	2010-11		2009-10	
		Qty.	₹ Lacs	Qty.	₹ Lacs
a) Indigenous Machinery Including Machine Tools	Nos.	790	7662.46	593	5567.42
b) Farm Equipments including Diesel Engines, Pumps, Motors and Generators	Nos.	-	-	-	-
c) Plant for Humidification & Air Control Equipment, Exhaust Fans & Similar duct Works.	Nos.	-	-	-	-
Manufactured	Nos.	2797	3249.50	3154	1743.61
Others	Nos.	-	-	-	-
d) CI & SG Castings	M.T.	19	*12.93	6	*3.92
e) Others	-	-	1114.04	-	1241.84
Total			12038.93		8556.79

* Value of CI & SG Castings is net of captive consumption.

20. Consumption of Raw Materials:

	Unit	2010-11		2009-10	
		Qty.	₹ Lacs	Qty.	₹ Lacs
a) Aluminum Sheets	Nos.	26698.00	91.62	29205.44	58.89
b) Iron and Steel	Kgs.	897.44	722.88	492.79	335.71
c) Castings	Kgs.	13595.00	209.30	10420.50	125.47
d) Electric Motors	Nos.	2163.00	417.67	2090.00	246.95
e) Scrap	M.T.	1807.01	511.30	1295.58	302.80
f) Other Components	-	-	3795.58	-	2763.92
Total			5748.35		3833.74

21. Consumption of Imported and Indigenous Raw Materials, Components, Stores and Spares:

	2010-11		2009-10	
	% of Total Consumption	₹ Lacs	% of Total Consumption	₹ Lacs
a) Raw Materials & Components				
Imported	13%	772.62	15%	601.61
Indigenous	87%	4975.73	85%	3232.13
	100%	5748.35	100%	3833.74
b) Stores, Spares & Loose Tools				
Imported	0%	-	0%	-
Indigenous	100%	114.55	100%	123.58
	100%	114.55	100%	123.58

22. It is the view of the company that the provisions of Items 3(ii) (d) of Part II of Schedule VI of the Companies Act, 1956 do not require disclosure of the quantities and value wise information of Opening and Closing stock and purchases in respect of goods traded in by the Company.

23. Segment Reporting:

The company has considered business segments as the primary segments for disclosure.

Segments have been identified in line with the Accounting Standards on Segment Reporting (AS-17), taking into account the nature of business, products and services, the Company's organization structure as well as the differential risks and returns of these segments. Segments Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments. Those not identifiable to the individual segments are included under unallocated.

The company has classified its business into four major segments:

- Machine Tool Business Group*, which handles manufacturing and marketing (including trading and agency business) of machine tool and components e.g. CNC and GPM machines, machine castings, machine carcasses and cranes etc.
- Textile Engineering Group*, which deals in manufacturing and marketing of textile air-engineering systems range i.e. Humidification, Waste Recovery and Auto Control Systems, besides marketing (including trading and agency business) of textile machinery e.g. circular knitting, spinning, and flat-knitting machines etc.
- Air-conditioning and Refrigeration division*, which covers manufacturing, marketing, commissioning and servicing of packaged air-conditioners and chillers etc.
- Others*, which covers remaining business i.e., agro-industrial products (e.g. pumps/motors), air and water treatment jobs etc.

i) Primary Segments Reporting (Based on Business Segments)

₹ Lacs

	Machine Tools Group		Textile Engineering Group		Air-conditioning & Refrigeration Group		Others		Un-allocated		Total Co.	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Segment Revenue												
Total Segment Revenue	7,356.19	5,410.28	4,443.92	3,077.13	795.66	937.04	-	-	245.79	217.98	12,841.56	9,642.43
Add: Other un-allocable Revenue	-	-	-	-	-	-	-	-	682.73	-	682.73	-
Segment Revenue from external customers	7,356.19	5,410.28	4,443.92	3,077.13	795.66	937.04	-	-	928.52	217.98	13,524.29	9,642.43
Segment Results												
Profit/(Loss) before Interest & Tax	114.70	(401.05)	475.84	268.57	(145.81)	32.79	-	-	637.24	218.29	1,081.97	118.60
Less: Interest	-	-	-	-	-	-	-	-	540.42	527.19	540.42	527.19
Total Profit/(Loss) before Tax	114.70	(401.05)	475.84	268.57	(145.81)	32.79	-	-	96.82	(308.90)	541.55	(408.59)
Less: Tax Expenses	-	-	-	-	-	-	-	-	10.75	3.39	10.75	3.39
Total Profit/(Loss) after Tax	114.70	(401.05)	475.84	268.57	(145.81)	32.79	-	-	86.07	(312.29)	530.80	(411.98)
Segmentwise Capital Employed	3,432.03	2,995.39	284.56	309.49	151.90	109.14	(1.65)	(1.65)	1,826.24	1,160.33	5,693.07	4,572.71
(Segment Assets Less Segment Liabilities)												
Segment Assets	6,060.41	5,024.24	2,221.33	1,527.27	758.25	709.82	0.47	0.20	6,965.77	7,187.55	16,006.23	14,449.08
Segment Liabilities	2,628.38	2,028.85	1,936.77	1,217.78	606.35	600.68	2.12	1.85	5,139.53	6,027.22	10,313.16	9,876.37
Capital Expenditure	-	-	-	-	-	-	-	-	333.10	268.72	333.10	268.72
Depreciation	59.49	78.22	26.58	31.17	2.60	1.90	-	-	67.23	72.11	155.90	183.41
Non cash expenses other than Depreciation	-	-	-	-	-	-	-	-	-	-	-	-

ii) Secondary Segment Reporting

The Company caters mainly to the needs of the domestic market. The export turnover is not significant in the context of the total turnover. As such there are no reportable geographical segments.

24. Disclosures Required under Accounting Standard 7 (Revised) Construction Contracts:

1. Method used to determine the contract revenue:	Percentage Completion method		
2. Method used to determine stage of completion of contract in progress:	The Proportion that the contract cost incurred for work performed up to reporting date bears to the estimated total contract cost.		
			₹ Lacs
		2010-11	2009-10
3. Total Contract Revenue recognized as Revenue during the year		418.02	387.54
II) For the Jobs in-progress as on Balance Sheet Date			
a. Aggregate of Cumulative Cost Incurred plus Gross Profit Recognized minus Gross Loss Recognized		416.54	512.29
b. Amount due from/(to) customers		147.84	127.14
c. Advances received from customers		18.92	37.52

25. Related Party Disclosures:

Related party disclosures as required under Accounting Standard 18 (AS-18) on "Related Party Disclosures" are given below:

A) Relationships:

- i) Subsidiary companies:
 - a) Queen Projects (Mauritius) Ltd.-Mauritius
 - b) Vanderama Holdings Ltd.-Cyprus
 - c) Pilatus View Holdings AG-Switzerland
 - d) Quickmill Inc.-Canada
 - e) Aesa Air Engineering SA-France
 - f) Aesa Air Engineering SPA-Italy
 - g) Aesa Air Engineering PTE Ltd-Singapore
 - h) Aesa Air Engineering Ltd-Hong Kong
 - i) Aesa Air Engineering Ltd-China
 - j) Aesa Air Engineering Pvt Ltd-India
 - k) 760 Rye Street - Canada
- ii) Key Management Personnel:

Mr. Nirmal Bhogilal, Chairman & Managing Director
- iii) Relatives of Key Management Personnel:
 - a) Mr. Pratap Bhogilal, Chairman Emeritus
 - b) Mr. Kabir Bhogilal, General Manager-Business Development
 - c) Mrs. Sheela Bhogilal
- iv) Entities over which key management personnel are able to exercise significant influence:
 - a) Batliboi Environmental Engineering Ltd.
 - b) Batliboi International Limited
 - c) Batliboi Impex Ltd.
 - d) Batliboi Enexco Pvt. Ltd.
 - e) Sustime Pharma Ltd.
 - f) Spartan Electricals
- v) Entities in which management personnel are trustees :
 - a) Bhogilal Leherchand Foundation
 - b) Leherchand Uttamchand Trust Fund

B) Transactions & Outstanding Balances:

₹ Lacs

	Subsidiary Companies		Entities		Key Management Personnel & their Relatives	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
I) Transactions						
a) Purchase of goods/materials/services/fixed assets/ investments	92.30	40.64	340.31	147.00	-	-
b) Sale of goods/materials/services/fixed assets/ investments/recovery of expenses	517.92	297.57	664.63	480.55	-	-
c) Rent/License fee received	-	-	4.81	1.79	-	-
d) Interest Paid(Received)	-	-	7.93	-	5.49	-
e) Loans & Advances in cash or kind received / (refunded) (Net)	-	-	310.00	-	70.00	-
f) Preference Share Capital	-	-	-	-	478.00	-
g) Preference Share Application Money	-	-	-	-	114.00	-
h) Trade Advances –Given	-	-	-	15.00	-	-
i) Gross Salary/Remuneration	-	-	-	-	104.01	139.74
II) Outstanding Balances as at 31.03.11, i.r.o.:						
a) Loans and advances received	-	-	57.27	-	74.43	-
b) Trade Advances –Given	-	-	220.30	15.00	-	-
c) Trade Advances –Received	-	-	-	142.64	-	-
d) Other receivable (for goods, services & other items)	140.34	144.91	522.30	842.41	-	-
e) Other payables (for goods, services & other items)	36.09	30.69	148.32	100.23	-	-

26. Basic & Diluted Earnings per Share:

Basic/diluted earnings per share (EPS) has been calculated by dividing the net profit after taxation for the year as per the accounts, this is attributable to equity shareholders, by weighted average number of equity shares outstanding during the year, as under:

Workings of EPS		2010-11	2009-10
A.	Profit computation for both Basic and Diluted Earning Per Share of ₹ 5/- each Net Profit/(Loss) available for Equity Shareholders: ₹ in Lacs	530.80	(411.98)
B.	Weighted average number of Equity shares for computation of Basic & Diluted Earning per Share: Nos.	2,86,82,550	2,86,82,550
C.	Basic & Diluted Weighted Average Earning/(Loss) Per Share: ₹	1.85	(1.45)

27. The Company has investments in Batliboi Environmental Engineering Ltd, (BEEL) of ₹ 191.21 Lacs. BEEL has accumulated losses which have significantly eroded their net worth. The company has also investment in its subsidiary Aesa Air Engineering SA- France whose accumulated losses are greater than the net worth.

In the opinion of the Management, having regard to the long term interest of the company in the aforesaid companies, there is no diminution other than temporary, in the value of the Investments.

**28. Micro, Small and Medium Enterprises**

The Statement showing the amount payable above ₹1 lacs and outstanding for more than 30 days to Micro, Small and Medium Enterprises as at 31st March, 2011 and interest provision made thereon is given below:

₹ Lacs

Name of the Parties	Outstanding as on 31.03.2011	Interest Provision
Patil Protections	1.35	0.42
Kamala enterprises	1.59	0.03
Sri venkateswara Engg. Works	6.75	0.02
Vinayak Industries	2.67	0.51
Aumtex India	1.18	0.67
New Krishna Metal Arts	1.16	0.06
Shivam Industrial Associates	2.44	0.02
Precise Engineering Works	1.96	0.26
Precise Systems	12.74	0.19
Delux Metal Processing Chemical	1.02	0.01
Hi-Tech Engineering	1.92	0.01
Press Stamping	1.63	0.01
Shivam Industries	2.42	0.02
TOTAL	38.84	2.22

29. The figures in respect of the previous financial year have been reclassified and regrouped wherever necessary.

SIGNATURES TO SCHEDULES 1 TO 17

As per our report attached of even date

For **V.SANKAR AIYAR & CO.**
Chartered Accountants
Firm Regn. No. - 109208W

(S. Venkatraman)
Partner
Membership No. 034319

Mumbai
Dated : 18th May, 2011

For and On Behalf of the Board of Directors

NIRMAL BHOGILAL
Chairman & Managing Director

E.A.KSHIRSAGAR
Director

Mumbai
Dated : 18th May, 2011

VINEET GOEL
Chief Financial Officer

GAURANG SHAH
Chief Corporate Counsel &
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011

₹ Lacs

	Year Ended 31-Mar-11		Year Ended 31-Mar-10	
I. CASH FLOW ARISING FROM OPERATING ACTIVITIES:				
Net Profit before Tax and Extraordinary items		205.26		(272.65)
Add Back :				
a) Depreciation	153.35		183.41	
b) Interest	540.42		527.19	
c) Loss on Sale/Disposal of Assets	24.86		-	
d) Debit balances written off	183.59		73.51	
e) Foreign Exchange Loss	-		30.65	
f) Provision for Doubtful Debts/Other Advances	(7.53)		(24.57)	
g) Leave Encashment Provision	3.79		(28.53)	
h) Provision for Gratuity	21.45	919.93	(46.37)	715.29
Deduct :				
a) Income from Investments (Dividend)	0.61		1.66	
b) Surplus on Sale of Investments	3.66		-	
c) Unclaimed Credit balances appropriated	69.54		44.32	
d) Excess Provisions of earlier year written back	3.00		30.67	
e) Foreign Exchange Gains	3.86	80.67	-	76.65
Operating Profit Before Working Capital Changes		1044.52		365.99
Deduct :				
a) Increase in Inventories	977.49		-	
b) Increase in Trade Receivables & Advances	685.86	1,663.35	206.75	206.75
Add :				
a) Decrease in Inventories	-		212.36	
b) Increase in Trade and other Payables	1,290.56	1,290.56	284.75	497.11
Income Taxes Paid		24.20		8.91
Net Cash Inflow / (Outflow) from Operations (A)		647.53		647.44
II. CASH FLOW ARISING FROM INVESTING ACTIVITIES:				
Inflow :				
a) Sale of Fixed Assets	170.91		300.00	
b) Income from investments (Dividend)	0.61		1.66	
c) Sale/Redemption of other Investments	6.66	178.18	-	301.66
Deduct :				
Outflow :				
a) Acquisition of Fixed Assets	124.91		36.31	
b) Investment in Foreign Subsidiary	27.45	152.36	4.88	41.19
Net Cash Inflow / (Outflow) in course of Investing Activities (B)		25.82		260.47

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011

₹ Lacs

	Year Ended 31-Mar-11	Year Ended 31-Mar-10	
III. CASH FLOW ARISING FROM FINANCING ACTIVITIES:			
Inflow :			
a) Increase in Preference Capital + Application for Preference Capital	592.00	-	
b) Surplus of Welfare Trusts	427.43	-	
c) Increase in unsecured loan	122.00	-	
d) Increase in Working Capital Borrowings	-	169.48	169.48
Deduct :			
Outflow :			
(a) Foreign Exchange Loss	(3.86)	30.65	
(b) Repayment of Term Loan	1,176.87	298.83	
(c) Decrease in Working Capital Borrowings	223.99	-	
(d) Net Decrease in other Unsecured Loans	-	154.66	
(e) Net interest Paid	510.83	514.36	998.50
Net Cash Inflow/(Outflow) in course of Financing Activities (C)	(766.40)		(829.02)
Net Increase/(Decrease) in cash/Cash Equivalents (A+B+C)	(93.05)		78.88
Add - Balance at the beginning of the year	305.50		226.62
Cash/Cash Equivalents at the close of the year	212.45		305.50
Net Increase/(Decrease) in cash/Cash Equivalents	(93.05)		78.88

As per our report attached of even date

For **V.SANKAR AIYAR & CO.**
Chartered Accountants
Firm Regn. No. - 109208W

(S. Venkatraman)
Partner
Membership No. 034319

Mumbai
Dated : 18th May, 2011

For and On Behalf of the Board of Directors

NIRMAL BHOGILAL
Chairman & Managing Director

E.A.KSHIRSAGAR
Director

Mumbai
Dated : 18th May, 2011

VINEET GOEL
Chief Financial Officer

GAURANG SHAH
Chief Corporate Counsel &
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Pursuant to Part IV of Schedule VI of the Companies Act, 1956)

₹ Thousands

i. Registration Details		
Registration No.	: L52320MH1941PLC003494	
State Code	: 11	
Balance Sheet	: 31.03.2011	
ii. Capital Raised during the year		
Public Issue		NIL
Right Issue		NIL
Bonus Issue		NIL
Private Placement of Preference Shares		47,800
iii. Position of Mobilisation and Deployment of Funds		
Total Liabilities		953,897
Total Assets		953,897
Sources of Funds		
Paid up Capital (Includes Preference Shares application money ₹ 11,400)		202,613
Reserves & Surplus		366,692
Secured Loan		372,392
Unsecured Loan		12,200
Deferred Tax Liabilities		-
Application of Funds		
Net Fixed Assets		512,331
Investment		297,846
Net Current Assets		143,719
Misc. Expenditure		-
iv. Performance of the Company		
Turnover		1,284,157
Total Expenditure		1,263,631
Profit / Loss Before Tax		54,155
Profit / Loss After Tax		53,080
Earning Per Share in ₹		1.85
Dividend Rate %	:	NIL
V. Generic Name of Three Principal Products / Services of the Company		
1. Item Code No. (ITC Code)	: 84573090; 84592930; 84595110; 84595120; 84595130; 84669390; 73259910; 76011090; 76012090; 26219000	
Product Description	: General Purpose & Special Purpose Machine Tools	
2. Item Code No. (ITC Code)	: 84145930; 84149040; 84213920; 84212190; 84219900; 84798920; 84799090	
Product Description Equipment	: Textile Machinery and Textile Air Engineering	
3. Item Code No. (ITC Code)	: 84148011; 84149011; 84189000; 84151090 84151010; 84159000	
Product Description	: Air Conditioning Machines & parts thereof.	



AUDITOR'S REPORT ON CONSOLIDATED ACCOUNTS

Auditor's Report to the Board of Director's of Batliboi Ltd. on the Consolidated Financial Statements of Batliboi Ltd. & its Subsidiaries.

1. We have audited the attached consolidated Balance Sheet of **BATLIBOI LTD.** ("the Company") and its subsidiaries as at 31st March 2011, the Consolidated Profit & Loss Account & the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of ₹ 7476.75 Lacs as at March 31, 2011 and revenues of ₹ 10626.74 Lacs for the year. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with requirements of Accounting standard 21- 'Consolidated Financial Statements'.
5. Based on our audit and on consideration of the report of the other auditors on separate financial statements and on the other financial information of the components and to the best of our information and according to the explanation given to us, we are of the opinion that the consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India.:
 - a. In the case of the consolidated Balance Sheet , of the state of affairs of the Company and its subsidiaries as at 31st March 2011;
 - b. In the case of the consolidated Profit & Loss Account, of the profit for the year ended on that date; and
 - c. In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **V. Sankar Aiyar & Co.**
Chartered Accountants
Firm Regn. No-109208W

Sd/-
(S. Venkatraman)
Partner
Membership No.:034319

Place: Mumbai
Date: 18th May, 2011.

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2011

₹ Lacs

	Schedule	As at 31-Mar-11	As at 31-Mar-10
I SOURCES OF FUNDS			
1. Shareholders' Funds:			
(a) Share Capital	1	1,912.13	1,434.13
Preference Share Application Money		114.00	-
(b) Reserves and Surplus	2	4,144.98	4,016.97
		6,171.11	5,451.10
2. Loan Funds :			
(a) Secured Loans	3	5,925.50	7,615.52
(b) Unsecured Loans	4	122.00	-
		6,047.50	7,615.52
3. Deferred Tax Liabilities (Net)		-	21.03
		12,218.61	13,087.65
II APPLICATION OF FUNDS			
4. Fixed Assets	5		
(a) Gross Block		17,400.11	17,323.73
(b) Less: Depreciation/Amortisation to date		9,545.32	9,118.09
(c) Net Block		7,854.79	8,205.64
(d) Capital Work-in-Progress (Including Capital Advances)		333.10	268.72
5. Goodwill on Consolidation		1169.70	1,169.70
6. Investments	6	230.65	433.57
7. Current Assets, Loans and Advances			
(a) Inventories	7	5,389.19	4,020.79
(b) Sundry Debtors	8	6,249.24	5,120.01
(c) Cash and Bank Balances	9	716.39	486.22
(d) Loans and Advances	10	1,513.58	1,620.66
		13,868.40	11,247.68
Less: Current Liabilities and Provisions	11		
(a) Current Liabilities		10,552.12	7,503.95
(b) Provisions		685.91	733.71
		11,238.03	8,237.66
Net Current Assets		2,630.37	3,010.02
		12,218.61	13,087.65
<i>Significant Accounting Policies & Notes to the Accounts</i>	17		

The Schedules referred above form an integral part of the Balance Sheet

As per our report attached of even date

For and On Behalf of the Board of Directors

For **V.SANKAR AIYAR & CO.**
Chartered Accountants
Firm Regn. No. - 109208W

NIRMAL BHOGILAL
Chairman & Managing Director

VINEET GOEL
Chief Financial Officer

(S. Venkatraman)
Partner
Membership No. 034319

E.A.KSHIRSAGAR
Director

GAURANG SHAH
Chief Corporate Counsel &
Company Secretary

Mumbai
Dated : 18th May, 2011

Mumbai
Dated : 18th May, 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

₹ Lacs

	Schedule	Year Ended 31-Mar-11	Year Ended 31-Mar-10
INCOME :			
1. Gross Turnover	12	23,734.15	19,637.83
Less: Excise Duty		959.77	564.33
Net Sales		22,774.38	19,073.50
2. Other Income	13	693.93	672.33
TOTAL INCOME		23,468.32	19,745.83
EXPENDITURE :			
3. Cost of Sales, Job Contracts and Services	14	12,797.20	10,193.83
4. Employees' Remuneration	15	4,689.49	4,648.27
5. Other Expenses	16	4,849.86	4,345.42
6. Interest		649.01	598.84
7. Depreciation/Amortisation		611.11	650.93
TOTAL EXPENDITURE		23,596.66	20,437.29
8. Profit Before Tax and Extraordinary Items		(128.35)	(691.46)
9. Extraordinary Items [Income /(Loss)]	16A	336.29	(135.94)
Profit Before Tax		207.95	(827.40)
10. Provision for Taxation			
For Current Tax		40.20	(32.06)
For Deferred Tax (Net)		(21.03)	-
MAT Credit Available for set off		(57.80)	-
Tax Adjustments in respect of earlier years		(26.22)	3.39
Profit after Tax for the year		272.80	(798.73)
11. Minority Interest		-	(14.41)
Total Profit/(Loss)		272.80	(784.31)
12. Add : Balance as per last Balance Sheet		1,981.16	2,765.47
Profit available for appropriation		2,253.96	1,981.16
APPROPRIATIONS			
13. Transfer to Capital Redemption Reserve		95.60	-
14. Balance carried to Balance Sheet		2,158.36	1,981.16
		2,253.96	1,981.16
15. Earnings per Share (Basic & Diluted)			
(Face Value of ₹ 5/- per Share)		0.95	(2.73)
(Refer Note No. 7 of Schedule 17 (II) of Notes of Accounts)			
Significant Accounting Policies & Notes to the Accounts	17		

The Schedules referred above form an integral part of the Balance Sheet

As per our report attached of even date

For and On Behalf of the Board of Directors

For **V.SANKAR AIYAR & CO.**
Chartered Accountants
Firm Regn. No. - 109208W

NIRMAL BHOGILAL
Chairman & Managing Director

VINEET GOEL
Chief Financial Officer

(S. Venkatraman)
Partner
Membership No. 034319

E.A.KSHIRSAGAR
Director

GAURANG SHAH
Chief Corporate Counsel &
Company Secretary

Mumbai
Dated : 18th May, 2011

Mumbai
Dated : 18th May, 2011

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

₹ Lacs

		As at 31-Mar-11	As at 31-Mar-10
SCHEDULE 1 : SHARE CAPITAL			
AUTHORISED			
461,70,400	(P.Y. 461,70,400) Equity Shares of ₹ 5/- each	2,308.52	2,308.52
692,480	(P.Y. 692,480) Preference Shares of ₹ 100/- each	692.48	692.48
		3,001.00	3,001.00
ISSUED, SUBSCRIBED AND PAID-UP			
2,86,82,550	(P.Y. 2,86,82,550) Equity Shares of ₹ 5/- (P.Y. ₹ 5/-) each fully paid	1,434.13	1,434.13
478000	(P.Y. Nil) 5% - 5 Year Redeemable Non- cumulative Preference shares of ₹ 100/- each)	478.00	
		1,912.13	1,434.13

Notes:

Of the above:

Equity Shares

- The face value of equity shares of the company of ₹ 10/- each has been sub-divided into equity shares of ₹ 5/- each w.e.f. 4th October, 2007.
- 35,00,000 Equity Shares of ₹ 5/- each were issued as fully paid up in 1982 to the shareholders of erstwhile Batliboi And Co. Ltd. as per scheme of amalgamation.
- 56,000 Equity Shares of ₹ 5/- each were allotted in earlier years as fully paid Bonus Shares by way of Capitalisation of Reserves.
- 16,80,000 Equity Shares of ₹ 5/- each were issued as fully paid up this year to the shareholders of erstwhile Batliboi SPM Pvt. Ltd. as per the Scheme of Amalgamation.

Preference Shares

- 4,78,000, 5% Non Cumulative Preference Shares of ₹ 100 each are allotted during the year and are redeemable at the end of 5 years. The earliest date of redemption is 27th March, 2016.

SCHEDULE 2 - CONSOLIDATED RESERVES AND SURPLUS

₹ Lacs

	Balance as at 01/04/2010	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	Balance as at 31/03/2011
Capital Reserves	25.00	-	-	25.00
Capital Redemption Reserve	620.98	95.60	620.98 *	95.60
Revaluation Reserve	431.58	21.85	2.55	450.88
Securities Premium Account	393.01	-	-	393.01
General Reserve	603.41	620.98 *	-	1,224.39
Investment Allowance Reserve Utilised	63.05	-	-	63.05
Foreign Currency Translation Reserve	(101.22)	(164.10)	-	(265.32)
	2,035.81	574.33	623.53	1,986.61
Balance in Profit & Loss Account	1,981.16	272.80	95.60	2,158.36
	4,016.97	847.13	719.13	4,144.98

* Represents the amount transferred from Capital Redemption Reserve to General Reserve during the year.



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

₹ Lacs

	As at 31-Mar-11	As at 31-Mar-10
SCHEDULE 3 - SECURED LOANS		
FROM BANKS		
(a) Cash Credit and Working Capital Borrowings	2,429.84	2,363.22
(b) Rupee Term Loan		
From Scheduled Co-op. Bank	204.38	328.35
From Bank	832.95	1,363.03
[Repayable within 1 year ₹ 543.53 Lacs (P.Y. ₹ 653.20 Lacs)]		
(c) Foreign Currency Long Term Loan	2,458.33	3,560.92
[Repayable within 1 year ₹ 1194.57 Lacs (P.Y ₹ 758.16 Lacs)]		
	5,925.50	7,615.52

SCHEDULE 4 - UNSECURED LOANS

1. Loan from a Director	10.00	-
2. Other Loans	112.00	-
	122.00	-

SCHEDULE 5-FIXED ASSETS

₹ Lacs

	GROSS BLOCK				DEPRECIATION/AMORTISATION						NET BLOCK	
	As at 01-Apr-10	Additions/ Adjustments	Deductions/ Adjustments	Exchange Difference	As at 31-Mar-11	Upto 31-Mar-10	For the Year	Deductions/ Adjustments **	Exchange Difference	Upto 31-Mar-11	As at 31-Mar-11	As at 31-Mar-10
Land (Freehold)	1,999.15	-	-	4.84	2,003.99	-	-	-	-	-	2,003.99	1,999.15
Land (Leasehold)*	434.49	-	-	-	434.49	-	-	-	-	-	434.49	434.49
Buildings*	-	-	-	-	-	-	-	-	-	-	-	-
On Freehold Land	2,148.39	3.31	(65.89)	38.75	2,124.57	1,024.01	58.51	(36.93)	24.00	1,069.60	1,054.96	1,124.39
On Leasehold Land	941.41	-	58.90	28.18	1,028.49	213.69	32.78	34.23	2.79	283.48	745.00	727.72
Plant & Machinery	6,318.79	27.93	(252.33)	22.25	6,116.64	4,731.26	103.80	(228.89)	19.49	4,625.67	1,490.98	1,587.53
Office equipment/computers etc.	1,497.03	35.55	(53.99)	32.99	1,511.58	1,333.27	43.32	(49.76)	30.76	1,357.60	153.99	163.76
Furniture,Fixtures,Fans and Electrical Fittings	393.34	1.64	(0.23)	7.43	402.18	275.39	22.18	(0.60)	6.65	303.61	98.57	117.95
Vehicles	94.74	9.79	(50.74)	1.08	54.88	71.99	4.00	(44.62)	1.03	32.40	22.47	22.75
Intangible Assets-Tech. Know-how	3,496.38	91.68	-	135.22	3,723.29	1,468.47	346.52	2.57	55.40	1,872.96	1,850.32	2,027.91
T O T A L	17,323.73	169.92	(364.28)	270.72	17,400.11	9,118.09	611.11	(324.00)	140.14	9,545.32	7,854.79	8,205.64
(Previous Year)	(16,342.09)	(910.16)	(22.52)	(93.99)	(17,323.73)	(8,502.09)	(650.93)	(8.82)	(-26.12)	(9,118.09)	(8,205.64)	(7840.00)
Capital Work-in-Progress including Capital Advances											333.10	268.72
(Previous Year)											(268.72)	(261.73)
T O T A L											8,187.89	8,474.36
(Previous Year)											(8,474.36)	(8121.73)

For depreciation Refer Note 17(I) - (5)

* Includes ₹ 434.49 Lacs value of Land and ₹ 210.23 value of Building acquired under scheme of amalgamation from erstwhile Batliboi SPM Pvt. Ltd. in respect of which titles under transfer in Company's name.

** Includes ₹ 2.55 Lacs being the depreciation on revalued assets drawn from Revaluation Reserve (SPM).

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2011

₹ Lacs

	Numbers 31-Mar-11	Numbers 31-Mar-10	Face Value (Each ₹)	As at 31-Mar-11	As at 31-Mar-10
SCHEDULE 6 - CONSOLIDATED INVESTMENTS (AT COST)					
Long Term Investment					
1. In fully paid Equity Shares (Un-quoted):					
Batliboi Environmental Engineering Ltd.	1,908,930	1,908,930	10.00	191.21	191.21
2. Trade Investment (Quoted),					
In fully Paid Equity Shares (Quoted)					
Aturia Continental Ltd.	129,032	129,032	10.00	40.00	40.00
3. Other Investments (Non-trade)					
a) In fully paid Equity Shares (Quoted):					
The Mysore Kirloskar Ltd.	200277	200277	10.00	9.62	9.62
Mafatal Engg. Ind. Ltd.	348	348	100.00	0.38	0.38
The Ahmedabad Mfg. & Calico Printing Co. Ltd.	20	20	125.00	0.01	0.01
Shri Ambica Mills Ltd.	8	8	100.00	0.01	0.01
The Aruna Mills Ltd.	25	25	100.00	0.01	0.01
The Khatau Makanji Spg. & Wvg. Co. Ltd.	55	55	10.00	0.02	0.02
Padmatex Engg.Ltd.	25	25	10.00	0.00	0.00
EPC Irrigations Ltd.	10000	10000	10.00	-	3.00
SUB-TOTAL				10.05	13.06
b) In fully paid 4% Cumulative Preference Shares (Quoted):					
The Khatau Makanji Spg. & Wvg. Co. Ltd.	5	5	100.00	0.01	0.01
c) In fully paid Equity Shares (Unquoted):					
Andhra Pradesh State Financial Corporation	5	5	100.00	0.01	0.01
Precision Tooling Systems Ltd.	1500	1500	10.00	0.15	0.15
Shree Vardhan Co.op. Bank Ltd.	200	200	25.00	0.05	0.05
Patan Co-operative Bank Ltd.	200	200	25.00	0.06	0.06
The Saraswat Co.op. Bank Ltd.	5	5	10.00	0.00	0.00
Shamrao Vitthal Co.op. Bank Ltd.	20,000	20,000	25.00	5.00	5.00
SUB-TOTAL				5.27	5.27
d) In Mutual Fund units					
Mutual Funds in France				33.66	236.57
SUB-TOTAL				33.66	236.57
TOTAL				280.20	486.12
Less: Provision for diminution in value of investments				(49.55)	(52.55)
				230.65	433.57
Quoted : Cost (after reducing provision)				0.51	0.52
Market Value				0.00	2.08
Unquoted : Cost				230.14	433.05

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2011**

₹ Lacs

	As at 31-Mar-11	As at 31-Mar-10
<u>SCHEDULE 7 - INVENTORIES</u>		
1. Raw Materials	2,779.80	2,140.78
2. Work-in-Progress	2,162.61	1,313.62
3. Stock of machines, including own manufactured	383.80	428.27
4. Stores and Spare Parts	43.77	120.46
5. Loose Tools	16.17	14.44
6. Value of incomplete job contracts carried forward	3.04	3.22
Less: Progress payment received/billing against above	- 3.04	- 3.22
	<u>5,389.19</u>	<u>4,020.79</u>
Note: [Refer Note 17(l) -(9) for mode of valuation]		
<u>SCHEDULE 8 - SUNDRY DEBTORS</u>		
UNSECURED		
1. Debts outstanding for a period exceeding six months Considered Good	3,418.42	2,208.42
Considered Doubtful	341.99	331.97
Less: Provision for doubtful debts	341.99	331.97
	<u>3,418.42</u>	<u>2,208.42</u>
2. Other debts- Considered Good	2,830.82	2,911.59
	<u>6,249.24</u>	<u>5,120.01</u>
<u>SCHEDULE 9 - CASH AND BANK BALANCES</u>		
1. Cash and Cheques on hand and at collection centres including remittances in transit ₹ Nil (P.Y. ₹ Nil)	26.00	60.84
2. Balances with Scheduled Banks :		
In Current Account	559.88	270.56
In Deposit Account (Towards Margin on Guarantees /L/Cs) (Deposit receipts pledged with the banks)	130.51	154.82
	<u>716.39</u>	<u>486.22</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2011**

₹ Lacs

	As at 31-Mar-11	As at 31-Mar-10
SCHEDULE 10 - LOANS AND ADVANCES		
UNSECURED-CONSIDERED GOOD UNLESS SPECIFIED OTHERWISE		
1. Staff Loans	17.46	33.34
2. Advances recoverable in cash or in kind or for value to be received	1,124.63	1,371.53
Considered Doubtful	56.83	66.25
Less: Provision for doubtful advances	56.83	66.25
	1,124.63	1,371.53
3. Balances with Excise, Customs and Port Trust	274.55	118.53
4. Taxes paid in advance and deducted at source (Net of Provision for Tax)	39.14	97.26
5. MAT Credit Available for set off	57.80	-
	1,513.58	1,620.66
SCHEDULE 11 - CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
1. Sundry Creditors		
a) Due to Micro and Small Enterprise	44.17	98.92
b) Others	6,192.88	4,503.33
2. Advances and Deposits from Customers	2,553.85	1,754.51
3. Unclaimed Dividend	8.84	8.89
4. Other Liabilities	1,684.22	1,101.02
5. Interest accrued but not due on loans	68.16	37.28
	10,552.12	7,503.95
B. PROVISIONS		
1. Provision for Gratuity	542.11	593.70
2. Provision for Leave Encashment	143.80	140.01
	685.91	733.71
	11,238.03	8,237.66



**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 2011**

₹ Lacs

	Year Ended 31-Mar-11	Year Ended 31-Mar-10
SCHEDULE 12 - GROSS TURNOVER		
1. Sales	22,325.75	18,272.62
2. Service Charges	325.49	312.19
3. Commission	664.88	723.32
4. Revenue from Job Contracts	418.02	329.70
	23,734.15	19,637.83
SCHEDULE 13 - OTHER INCOME		
1. Dividend	0.61	1.66
2. Exchange Difference Gains	34.55	-
3. Profit on Sale of Fixed Assets	-	2.02
4. Profit on Sale of Investments (Net)	3.66	-
5. Insurance, Railway and Other Claims	5.49	-
6. Diminution in the value of investment	3.00	-
7. Excess Provision of earlier years written back	55.22	95.13
8. Rent	38.47	64.21
9. Unclaimed Credit Balances appropriated	73.40	179.14
10. Discounts and Allowances	2.62	2.64
11. Interest	19.60	20.60
12. Miscellaneous Receipts	457.29	306.93
	693.93	672.33
SCHEDULE 14 - COST OF SALES, JOB CONTRACTS & SERVICES		
1. Cost of Sales		
Raw Materials Consumed	11,656.49	7,901.04
2. (Increase)/Decrease in Stocks		
Stock at close :		
Work-in-Process	2,162.61	1,313.62
Stock of Machines and Own Manufactured Machines (Including excise duty)	383.80	428.27
	2,546.41	1,741.89
Less :		
Stock at Commencement :		
Work-in-Process	1,313.62	1,863.54
Stock of Machines and Own Manufactured Machines (Including excise duty)	428.27	735.27
	1,741.89	2,598.81
	10,851.97	8,757.96
Less:Self Consumption for Job Contracts	(145.67)	(147.10)
	10,706.30	8,610.86
3. Purchases of goods for Resale (Incl.expenses)	1,291.00	995.91
4. Cost of Job Contracts (includes self Consumption)	339.76	286.78
5. Cost of Service Rendered	137.58	147.13
6. Job Work Charges Incurred	322.56	153.15
	12,797.20	10,193.83

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

₹ Lacs

	Year Ended 31-Mar-11	Year Ended 31-Mar-10
SCHEDULE 15 - EMPLOYEES' REMUNERATION		
1. Salaries, wages, Allowances and Bonus	3,872.46	3,790.13
2. Contribution to Provident and Other Funds	522.54	622.12
3. Payments & Provision for Gratuity	121.93	89.95
4. Staff Welfare Expenses	172.56	146.07
	4,689.49	4,648.27
SCHEDULE 16 - OTHER EXPENSES		
1. Rent	233.80	280.94
2. Rates and Taxes	86.64	108.05
3. Power and Fuel	227.94	162.01
4. Insurance	81.31	116.85
5. Sales Commission	570.97	629.49
6. Exhibitions/ Advertisement Expenses	147.33	117.33
7. Printing and Stationery	55.77	50.35
8. Travelling and Conveyance	674.46	557.19
9. Audit, Legal and Professional Charges	234.71	240.22
10. Bank Commission and other charges	123.10	123.00
11. Vehicle Maintenance	65.63	51.87
12. Postage, Telephone, Telex Charges etc.	161.25	156.13
13. Packing and Cartage	439.90	443.92
14. Stores & Loose Tools Consumed	195.18	203.87
15. Sales Tax	12.88	8.82
16. Repairs to Machinery	47.87	51.30
17. Repairs to Buildings	56.61	42.08
18. Repairs to Other Assets	46.50	43.13
19. Labour Charges	369.14	283.00
20. Discounts and Allowances to Customers	15.38	0.14
21. Directors' Sitting Fees	20.12	16.80
22. Donation	-	0.96
23. Loss on Sale / Assets Written off	24.86	-
24. Bad Debts	206.82	179.14
25. Provision for Doubtful Debts/Advances	(5.79)	(17.80)
26. Exchange difference	-	129.02
27. Miscellaneous Expenses	757.47	367.61
	4849.86	4,345.42
SCHEDULE 16A - EXTRAORDINARY ITEMS		
1. Legal Claims	346.45	-
2. Sale of Fixed Asset	(163.48)	-
3. Exchange Difference ECB Loans & Preference Shares Investment	(91.82)	135.94
4. Amounts received from Welfare Trusts (Refer Note-17(II)-2)	(427.43)	-
(Income) / Expense	(336.29)	135.94

SCHEDULE 17
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF CONSOLIDATED ACCOUNTS
I) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
1. BASIS OF CONSOLIDATION

The Consolidated Financial Statements relate to Batliboi Limited ("the Company" or "the Parent") and its subsidiary companies.

A) Basis of accounting

- (i) The Financial Statements of the subsidiary companies used in the preparation of the Consolidated Financial Statements are drawn up to the same reporting date as that of the Company i.e. 31st March, 2011.
- (ii) The Consolidated Financial Statements have been prepared under the historical cost convention (except for certain fixed assets of the parent and one of the subsidiary which have been revalued) on accrual basis and in accordance with Companies (Accounting Standards) Rules, 2006 issued by the Central Government under the Companies Act, 1956 to the extent applicable and in compliance with generally accepted accounting principles in India.

B) Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:-

- (i) The Financial Statements of the Parent and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. The intra group balances and intra group transactions as well as unrealized profits or losses resulting from intra group transactions are fully eliminated.
 - (ii) The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized as "Goodwill" and shown under the head "Goodwill on Consolidation".
 - (iii) The operations of the foreign subsidiaries are not considered as an integral part of the operations of the parent. Hence, revenue items are consolidated at the average rate prevailing during the year; and all assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve for future adjustments.
 - (iv) Minority interest in the net income (loss) of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to shareholders of the Parent. The excess of loss over the minority interest in the equity of subsidiary is adjusted against the majority interest.
 - (v) Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Parent's shareholders. Minority interest in the Net Asset of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders as on the dates on which investments are made by the Parent in the subsidiary companies and further movements in their share in the equity subsequent to the dates of investments.
 - (vi) The consolidated financial statements are prepared using uniform accounting polices for like transactions and other events in similar circumstances and are presented in the same manner as the Parent's separate financial statements. Considering that financial statements of the subsidiaries have been prepared under diverse laws and regulations applicable to the respective countries of residence of the subsidiaries i.e. Canada, France, Italy, Singapore, Hong Kong, these consolidated financial statements have been prepared substantially in the same format adopted by parent to the extent possible.
- C) The subsidiary companies which are included in consolidation and the percentage of ownership interest therein of the Parent as on 31st March 2011 are as under:**

S.No.	Name of the Subsidiary	% of Ownership interest as on 31.03.2011	Country of Incorporation	Date since it became subsidiary
1.	Queen Projects (Mauritius) Ltd.	100%	Mauritius	10.04.2007
2.	Vanderma Holdings Ltd.	100%	Cyprus	10.04.2007
3.	Pilatus View Holding AG	100%	Switzerland	10.04.2007
4.	Quickmill Inc.	100%	Canada	12.04.2007
5.	760 Rye Street Inc	100%	Canada	15.04.2009
6.	AESA Air Engineering S.A.	70%	France	06.07.2007
7.	AESA Air Engineering Private Ltd.	70%	India	06.07.2007
8.	AESA Air Engineering SPA	70%	Italy	06.07.2007
9.	AESA Air Engineering Ltd.	70%	Hong Kong	06.07.2007
10.	AESA Air Engineering Pte. Ltd.	70%	Singapore	06.07.2007
11.	AESA Air Engineering Ltd. China	70%	China	06.07.2007

2. USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively when revised.

3. REVENUE RECOGNITION

- A) Revenue from sale of goods are recognized on transfer of all significant risks and rewards of ownership to the buyer.
- B) Service Income: Income from annual maintenance services is recognized proportionately over the period of contract.
- C) Recognition of Revenue from Works Contracts: Revenue from works contracts and jobs of building large machines in the nature of works contract are recognized on 'Percentage of completion method'. Percentage or stage of completion is determined by the proportion that contract cost incurred for work performed up to the reporting date bears to the estimated total costs of the contract.

4. FIXED ASSETS

Fixed Assets are stated at their original cost of acquisition including incidental expenses related to acquisition and installation except all land, buildings (excluding residential flats) and plants and machinery, which are adjusted on revaluation. The fixed assets manufactured by the company are stated at manufacturing cost or net realizable value whichever is lower, prevailing at the time of capitalization. Fixed assets are shown net of accumulated depreciation and amortization, wherever applicable.

5. DEPRECIATION

- a) Depreciation on most of the assets of the Manufacturing Unit and the Wind Mill of the parent is provided under the Straight Line Method as under:
 - i. On assets added up to 01.04.1987 at the rates applicable at the time of acquisition of these assets in accordance with the Circular No.1/86 dtd. 21.05.1986 of the Company Law Board.
 - ii. On assets added between 01.04.1987 to 15.12.1993, at the rates and in the manner specified in Schedule XIV of the Companies (Amendment) Act, 1988.
 - iii. On assets added after 15.12.1993, at the revised rates prescribed in Schedule XIV of the Companies (Amendment) Act, 1988 vide notification no. GSR 756 (E) dated 16.12.1993 in accordance with Circular 14/93, dated 20.12.1993.
- b) Depreciation on assets of the Parent at non-manufacturing locations, and some assets of the Parent at manufacturing units i.e. assets of Tool Room and some assets transferred to manufacturing unit from branches of the parent and assets of SPM division has been provided under the Written Down Value method at the revised rates, prescribed in Schedule XIV of the Companies (Amendment) Act, 1988 vide notification no. GSR 756 (E) dated 16.12.1993 in accordance with Circular 14/93, dated 20.12.1993.
- c) In case of subsidiaries Leasehold improvements are amortized over the remaining period of the primary lease or the useful life, whichever is earlier.
- d) Depreciation on assets of the overseas subsidiaries are provided over its useful economic life determined by the management of the respective subsidiary, as under:

	Quickmill Inc., Canada	760 Rye Street INC, Canada	Aesa Air-Engineering, SA France*
Building	N.A.	4% on written down value	15 years
Leasehold improvements	50% on written down value		N.A.
Machinery and equipment	20% on written down value		3-10 years
Furniture and fixtures	20% on written down value		10 years
Computers/Office Equipment	30% on written down value		1-7.5 years
Computer software	100% on straight line		1-3 years
Vehicles/Transport Equipment	30% on written down value		1-4 years
Intangible Assets	Impairment Test		4-10 years

*Aesa Air-engineering, SA France and its subsidiaries

- e) Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the date of such addition or up to the date of such sale/disposal as the case may be.
- f) Depreciation on revalued assets is calculated on the replacement value at the rates considered applicable by the valuers and is charged to Profit and Loss account. In respect of revalued building of SPM, the difference between depreciation on replacement value and on written down value basis is drawn from revaluation reserve created on revaluation to the extent the balance in such reserve is available.

6. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

- a) An impairment loss is recognized where the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at weighted average cost of capital.
- b) After impairment, depreciation is provided in subsequent periods on the revised carrying amount of the asset over its remaining useful life.
- c) A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value in use after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

7. INTANGIBLE ASSETS

- a) Intangible Assets are stated at cost of acquisition less accumulated amortization.
- b) Intangible assets are amortized over the assets useful life.
- c) Development costs including direct labour, materials and allocated overhead relating to the development of new technology are expensed in the period incurred unless a development project meets the criteria under generally accepted accounting principles for deferral and amortization. Capitalised costs are amortised using the straight-line basis over a 3 year period, which is the estimated useful life of the technology. Investment tax credits applicable to a claim for scientific research and development are treated as a reduction of the capitalised cost.
- d) Expenditure on amounts paid in respect of specific trademarks is amortized on a straight-line basis over five years.

8. INVESTMENTS

Long-term investments are stated at cost including all expenses incidental to acquisition. Provision is made to recognize a decline, other than temporary in the value of long-term investments. Current investments are stated at lower of cost and fair value.

9. VALUATION OF INVENTORIES

- a) Inventories comprising Raw Materials, Work in Progress, Finished Goods, Stores and Loose Tools, are valued at lower of cost or net realizable value. Cost of inventories in the case of Parent is determined on weighted average basis and on FIFO basis in the case of subsidiaries.
- b) Incomplete job contracts are valued at the direct cost incurred on such contracts.

10. EMPLOYEE BENEFITS**Employee Retirement Benefits:**

- a) Defined Contribution Plans:
 - i. The Parent has defined contribution plan for post employment benefits in the form of Superannuation Fund for Managers/Officers which is administered by Life Insurance Corporation of India (LIC), Provident Fund for employees at manufacturing facility administered by Regional Provident Fund Authorities, besides ESIC and Labour Welfare Fund. The company's international subsidiaries have their respective pension/social securities contribution plans. The contributions to Defined Contribution Plans are charged to Profit and Loss Account as and when incurred. The Parent has no further obligation beyond making the contributions.
 - ii. The Canadian subsidiary has contributions towards pension/social securities which are charged to profit & loss account as and when incurred and the French subsidiary provides for the liability on accrual basis. The subsidiaries have no further obligation beyond making the contribution.
- b) Defined Benefits Plans
 - i. The Parent's liabilities towards gratuity, leave encashment and compensated absence are determined and provided on the basis of actuarial valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method for measuring the liability is the Projected Unit Credit Method.
 - ii. The Parent's liability in respect of employees at the Head office and branch are provided on actual basis. The interest payable by the trust to the employees shall not be lower than the statutory rate declared by the Central Government and shortfall, if any, shall be made good by the Parent.
 - iii. Other short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
 - iv. Actuarial gains and losses are immediately recognized in the Profit and Loss Account of the year without resorting to any amortization/deferment.
 - v. Termination benefits are immediately recognized as an expense in Profit and Loss account, as and when incurred.

- vi. The company's overseas subsidiaries account for the defined benefits which are accounted on accrual basis. The difference between the accrual amounts and actuarial valuations are not expected to be material.

11. PROVISIONS AND CONTINGENT LIABILITIES

Provision is recognized when there is a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current estimates. Contingent liabilities are disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

12. FOREIGN CURRENCY TRANSACTIONS

- a) Foreign currency transactions are recorded on initial recognition at the exchange rate in force on the date of the transaction. Exchange differences arising on settlement of monetary items (cash, receivables, payables etc.) are recognized in the profit and loss account in the period in which they arise.
- b) Foreign currency monetary items are reported at exchange rates prevailing at the end of the accounting period and the gains/losses are recognized in the profit and loss account.
- c) The premium or discount arising at the inception of forward exchange contracts is amortized as an expense or an income over the life of the contract.

13. EXPENSES ON ISSUE AND PREMIUM ON REDEMPTION OF SECURITIES

Expenses on issue of shares and debentures and premium on redemption of debentures are charged to Securities Premium Account.

14. TAXES ON INCOME

- a) Current tax is determined as the amount of tax payable in the respective company in respect of estimated taxable income for the year.
- b) Deferred tax is recognized, subject to the consideration of prudence as per Accounting Standard-22 (Accounting for taxes on income) on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only to the extent that there is timing difference the reversal of which will result in sufficient income. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future.
- c) Investment tax credits are accrued when qualifying expenditures are made and there is reasonable assurance that the credits will be realized. Investment tax credits are accounted using the costs reduction method.

II) NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

1. Contingent liabilities: Contingent liabilities not provided for are given in Note 17 II (1) to the standalone financial statements.
2. Pursuant to Section 40A (11) of the Income Tax Act, 1961, the company has during the year claimed back the unutilized amounts that were lying with the Welfare Trusts and the company has received ₹ 427.43 lacs.

3. Intangible Assets:

In respect of Quickmill Inc.:

The intangible Assets relate to the proprietary right to the Company's products, manufacturing processes, trade marks, customer contracts and related customer relationships acquired by its subsidiary which are amortized over 15 years. Accordingly, a sum of ₹ 140.44 Lacs (PY ₹ 132.99 Lacs) has been charged to the Consolidated Profit and Loss account.

4. Segment Reporting:

The group has considered business segments as the primary segments for disclosure.

Segments have been identified in line with the Accounting Standards on Segment Reporting (AS-17), taking into account the nature of business, products and services, the Company's organization structure as well as the differential risks and returns of these segments. Segments Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments. Those not identifiable to the individual segments are included under unallocated.

The group has classified its business into four major segments:

- a) *Machine Tool Business Group*, which handles manufacturing and marketing (including trading and agency business) of machine tool and components e.g. CNC and GPM machines, machine castings, machine carcasses, cranes etc.
- b) *Textile Engineering Group*, which deals in manufacturing and marketing of textile air-engineering range i.e. humidification & temperature control, waste recovery, and auto control systems, besides marketing (including trading and agency business) of textile machinery e.g. circular knitting, spinning, and flat-knitting machines etc.
- c) *Air-conditioning and Refrigeration division*, which covers manufacturing, marketing, commissioning and servicing of packaged air-conditioners and chillers etc.
- d) *Others*, which covers remaining business i.e., agro-industrial products (e.g. pumps/motors), air and water treatment jobs etc.



i) Primary Segments Reporting (Based on Business Segments)

₹ Lacs

	Machine Tools Group		Textile Engineering Group		Air-conditioning & Refrigeration Group		Others		Un-allocated		Total Co.	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Segment Revenue												
Total Segment Revenue	11631.28	10266.36	10689.02	8242.66	795.66	937.04	88.11	60.61	265.32	239.15	23469.39	19745.82
Add: Other un-allocable Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	682.73	0.00	682.73	0.00
Segment Revenue from external customers	11631.28	10266.36	10689.02	8242.66	795.66	937.04	88.11	60.61	948.05	239.15	24152.12	19745.82
Segment Results												
Profit/(Loss) before Interest & Tax	(323.92)	(446.76)	591.55	(79.30)	(145.81)	32.79	5.12	10.10	730.90	254.62	857.84	(228.55)
Less: Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	649.13	598.84	649.13	598.84
Total Profit/(Loss) before Tax	(323.92)	(446.76)	591.55	(79.30)	(145.81)	32.79	5.12	10.10	81.77	(344.22)	208.71	(827.39)
Less: Tax Expenses									(64.90)	(28.67)	(64.90)	(28.67)
Total Profit/(Loss) after Tax	(323.92)	(446.76)	591.55	(79.30)	(145.81)	32.79	5.12	10.10	146.67	(315.55)	273.61	(798.72)
Segment wise Capital Employed	5722.99	5619.62	90.69	36.92	151.90	109.14	(1.65)	(1.65)	1836.88	1165.42	7800.81	6929.45
(Segment Assets Less Segment Liabilities)												
Segment Assets	11046.98	10255.63	6077.83	4195.84	758.25	709.82	0.47	0.20	7589.08	7796.71	25472.61	22958.20
Segment Liabilities	5323.99	4636.01	5987.14	4158.92	606.35	600.68	2.12	1.85	5752.20	6631.29	17671.80	16028.75
Capital Expenditure	-	-	-	-	-	-	-	-	333.10	268.72	333.10	268.72
Depreciation	375.60	410.22	143.17	155.80	2.61	1.90	22.50	10.93	67.23	72.09	611.11	650.94
Non cash expenses other than Depreciation	—	—	—	—	—	—	—	—	—	—	—	—

ii) Secondary Segment Reporting:

The geographic segments considered for disclosure are as follows:

₹ Lacs

	2010-11			2009-10		
	Indian Operations	Foreign Operations	Total	Indian Operations	Foreign Operations	Total
Revenue by Geographic Market	16224.95	7174.71	23999.65	11233.76	8445.01	19678.76
Addition to Fixed Assets and Intangible Assets	70.83	99.08	169.91	56.58	853.58	910.16
Carrying Amount of Segment Assets	17313.44	6203.03	23516.46	15367.86	5942.13	21309.99

5. Related Party Disclosures:

The subsidiaries have reported following transactions with related parties. The full disclosures in this regard are fairly reflected in the statement of related parties transactions annexed to Schedule 17-II (25) to the standalone financial statements of Batliboi Ltd. (parent).

Batliboi Ltd.

Transactions & Outstanding Balances:

₹ Lacs

	Entities		Key Management Personnel & their Relatives	
	2010-11	2009-10	2010-11	2009-10
I) Transactions				
a) Purchase of goods/materials/services/ fixed assets/ investments	717.20	147.00	-	-
b) Sale of goods/materials/services/ fixed assets/ investments/ recovery of expenses	698.68	480.55	-	-
c) Rent/License fee received	4.81	1.79	-	-
d) Interest Paid/(Received)	7.93	-	5.49	-
e) Loans & Advances in cash or kind received /(refunded) (Net)	310.00	-	70.00	-
f) Preference Share Capital	-	-	478.00	-
g) Preference Share Application Money	-	-	114.00	-
h) Trade Advances -Given	-	15.00	-	-
i) Gross Salary/Remuneration	-	-	104.01	139.74
II) Outstanding Balances as at 31.03.11, i.r.o:				
a) Loans and advances received	57.27	-	74.43	-
b) Trade Advances -Given	220.30	490.41	-	-
c) Trade Advances -Received	-	142.64	-	-
d) Other receivable (for goods, services & other items)	522.40	367.00	-	-
e) Other payables (for goods, services & other items)	321.06	100.23	-	-

6. Taxes on Income:

Deferred Taxes: The major components of deferred tax assets and liabilities are set out below:

₹ Lacs.

		2010-11	2009-10
i.	Deferred Tax Assets:		
	Unabsorbed business loss/unabsorbed depreciation	340.41	278.44
	Provision for Doubtful Debts, Advances, Diminution in Value of Investments and Employee Benefits	153.03	123.72
ii.	Deferred Tax Liabilities:		
	Depreciation on Fixed Assets	493.44	423.19
iii.	Net Deferred Tax Assets/(Liabilities)	Nil	(21.03)



7. Basic & Diluted Earnings per Share:

Basic/diluted earnings per share has been calculated by dividing the net profit after taxation for the year as per the consolidated financial statements, which is attributable to equity shareholders, by weighted average number of equity shares outstanding during the year, as under:

₹ Lacs

Workings of EPS		2010-11	2009-10
A.	Profit computation for both Basic and Diluted Earning Per Share of ₹ 5/- each: Net Profit/(Loss) available for Equity Shareholders:	272.80	(784.31)
B.	Weighted average number of Equity shares for computation of Basic & Diluted Earning per Share: Nos.	28682550	28682550
C.	Basic & Diluted Weighted Average Earning/(Loss) Per Share: ₹	0.95	(2.73)

8. The Company has investment in Batliboi Environmental Engineering Ltd, (BEEL) of ₹ 191.21 Lacs. BEEL has accumulated losses which have significantly eroded their net worth.

In the opinion of the Management, having regard to the long term interest of the company in the said company, there is no diminution other than temporary, in the value of the Investment.

9. The figures in respect of the previous financial year have been reclassified and regrouped wherever necessary.

SIGNATURES TO SCHEDULES 1 TO 17

As per our report attached of even date

For **V.SANKAR AIYAR & CO.**
Chartered Accountants
Firm Regn. No. - 109208W

(S. Venkatraman)
Partner
Membership No. 034319

Mumbai
Dated : 18th May, 2011

For and On Behalf of the Board of Directors

NIRMAL BHOGILAL
Chairman & Managing Director

E.A.KSHIRSAGAR
Director

Mumbai
Dated : 18th May, 2011

VINEET GOEL
Chief Financial Officer

GAURANG SHAH
Chief Corporate Counsel &
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011

₹ Lacs

	Year Ended 31-Mar-11	Year Ended 31-Mar-10
I. CASH FLOW ARISING FROM OPERATING ACTIVITIES:		
Net Profit before Tax and Extraordinary items	(128.35)	(691.46)
Add Back :		
a) Depreciation	611.11	650.93
b) Interest	649.01	598.84
c) Difference in Reserves	(141.18)	-
d) Loss on Sale/Disposal of Assets	32.85	-
e) Debit balances written off	206.82	179.14
f) Provision for Doubtful Debts/Other Advances	(5.79)	(17.80)
g) Leave Encashment Provision	3.79	(28.53)
h) Provision for Gratuity	(51.59)	(59.83)
i) Minority Interest	-	14.41
	1,305.02	1,337.16
Deduct :		
a) Income from Investments (Dividend)	0.61	1.66
b) Surplus on Sale of Assets	-	2.02
c) Surplus on Sale of Investments	6.66	-
d) Unclaimed Credit balances appropriated	73.40	-
e) Excess Provisions of earlier year written back	55.22	-
f) Foreign Exchange Gains	34.55	-
	170.46	3.68
Operating Profit Before Working Capital Changes	1,006.21	642.03
Deduct :		
a) Increase in Inventories	1,368.40	-
b) Increase in Trade Receivables & Advances	1,223.50	-
c) Decrease in Trade and other Payables	-	1,136.29
	2591.90	1,136.29
Add :		
a) Decrease in Inventories	-	1,311.39
b) Decrease in Trade Receivables & Advances	-	398.87
c) Increase in Trade and other payables	2799.47	-
	2799.47	1,710.26
	1,213.78	1,216.00
Income Taxes Paid	(44.14)	150.19
Net Cash Inflow / (Outflow) from Operations (A)	1,257.93	1,065.81

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011**

₹ Lacs

	Year Ended 31-Mar-11		Year Ended 31-Mar-10	
II. CASH FLOW ARISING FROM INVESTING ACTIVITIES:				
Inflow :				
a) Sale of Fixed Assets	170.91		2.02	
b) Income from investments (Dividend)	0.61		1.66	
c) Sale of Mutual Fund units (Liquid Fund)	202.92		385.66	
d) Sale/Redemption of other Investments	6.66	381.10	-	389.34
Deduct :				
Outflow :				
a) Acquisition of Fixed Assets(net)	234.30	234.30	898.41	898.41
Net Cash Inflow / (Outflow) in course of Investing Activities (B)		146.80		(509.08)
III. CASH FLOW ARISING FROM FINANCING ACTIVITIES:				
Inflow :				
a) Increase in Capital	592.00		-	
b) Surplus of Welfare Trusts	427.43		-	
c) Increase in Term Loan	-		75.35	
d) Increase in unsec loan	122.00		-	
e) Increase in Working Capital Borrowings	66.62	1208.05	257.73	333.08
Deduct :				
Outflow :				
(a) Foreign Exchange Loss	(34.55)		129.02	
(b) Repayment of Term loan	1799.04		-	
(c) Net decrease other unsecured loans	-		154.66	
(d) Net interest Paid	618.12	2382.61	590.09	873.77
Net Cash Inflow/(Outflow) in course of Financing Activities (C)		(1,174.56)		(540.69)
Net Increase/(Decrease) in cash/Cash Equivalents (A+B+C)		230.18		16.05
Add - Balance at the beginning of the year		486.22		470.17
Cash/Cash Equivalents at the close of the year		716.39		486.22
Net Increase/(Decrease) in cash/Cash Equivalents		230.18		16.05

As per our report attached of even date

For **V.SANKAR AIYAR & CO.**
Chartered Accountants
Firm Regn. No. - 109208W

(S. Venkatraman)
Partner
Membership No. 034319

Mumbai
Dated : 18th May, 2011

For and On Behalf of the Board of Directors

NIRMAL BHOGILAL
Chairman & Managing Director

E.A.KSHIRSAGAR
Director

Mumbai
Dated : 18th May, 2011

VINEET GOEL
Chief Financial Officer

GAURANG SHAH
Chief Corporate Counsel &
Company Secretary

STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES FOR THE YEAR ENDED ON 31st MARCH, 2011

₹ Lacs

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment other than investment in Subsidiaires	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
1	Queen Project (Mauritius) Ltd.	MUR	1.59	2,380.83	(42.84)	2,476.59	2,476.59	-	-	(9.06)	-	(9.06)	-	Mauritius
2	Vanderma Holdings Ltd.	CAD	45.99	2.39	2,445.69	2,694.37	2,694.37	-	-	(7.86)	0.05	(7.91)	-	Cyprus
3	Platus View Holdings AG	CHF	48.75	1,760.52	44.99	1,826.52	1,826.52	-	-	0.19	0.24	(0.05)	-	Switzerland
4	Quickmill Inc.	CAD	45.99	1,417.68	1,345.17	5,408.85	5,408.85	-	4,388.79	(388.96)	(86.47)	(302.49)	-	Canada
5	Aessa Air Engineering S. A.	EUR	63.38	370.79	(503.83)	2,984.58	2,984.58	33.66	5,008.52	86.89	-	86.89	-	France
6	Aessa Air Engineering S.P.A.	EUR	63.38	63.38	83.54	398.32	398.32	-	37.39	(6.45)	-	(6.45)	-	Italy
7	Aessa Air Engineering Pte Limited	SGD	35.39	35.39	44.81	83.46	83.46	-	-	13.55	0.84	12.71	-	Singapore
8	Aessa Air Engineering Limited.	HKD	5.73	0.57	7.53	9.64	9.64	-	4.58	(2.51)	-	(2.51)	-	Hongkong
9	Aessa Air Engineering Limited.	RMB	6.89	73.44	(221.22)	774.97	774.97	-	874.17	(31.34)	-	(31.34)	-	China
10	Aessa Air Engineering Private Limited	INR	1.00	20.00	49.91	839.98	839.98	0.60	1,757.31	38.15	11.63	26.52	-	India
11	760 Rye Street Inc.	CAD	45.99	0.00	10.55	638.76	638.76	-	-	5.25	1.73	3.53	-	Canada

BATLIBOI LTD.

Registered Office : Bharat House, 5th Floor,
104, B. S. Marg, Fort, Mumbai - 400 001.



ADMISSION SLIP

(To be handed over at the entrance of the Meeting Hall)

Member Folio Number / Client ID	D.P. ID No.	Number of Shares Held
Name of the Member (in Block Letters)		Name of the Proxy Holder (in Block Letters)

I hereby record my presence at the 67th Annual General Meeting of the Company at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12 K Dubash Marg, Fort, Mumbai 400 001 on Friday, the 29th day of July, 2011 at 2.30 P.M.

.....
Signature of Member / Proxy

BATLIBOI LTD.

Registered Office : Bharat House, 5th Floor,
104, B. S. Marg, Fort, Mumbai - 400 001.



PROXY

I/We
of in the district of being Member/
Members of the abovenamed company hereby appoint Mr.
.....
of in the district of
or failing him, Mr.
of in the district of
as my/our proxy to vote for me/us and on my/our behalf at the 67th Annual General Meeting of the Company at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12 K Dubash Marg, Fort, Mumbai 400 001 on Friday, the 29th day of July, 2011 at 2.30 P.M. and at any adjournment thereof.

Signed this day of 2011.

Folio No./Client ID..... Signature

One Rupee
Revenue
Stamp

Note : Proxy must reach the Company's Registered Office not less than 48 hours before the meeting.

Our Network



www.batliboi.com

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Subsidiaries of AESA

- China • India • Italy
- Singapore • Hong Kong



BOOK - POST



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